

ALASKA LEGISLATURE COMMITTEE FILES 1999-2000 8672

10060 SENATE HEALTH EDUCATION & SOCIAL SERVICES

- Debt is assumed to be issued in FY2001, with the first payment due in FY2002.

New School Debt Reimbursement Authorization - \$150 million

- The legislation authorizes \$150 million in school debt reimbursement for urban districts with bonding capacity. This, combined with \$56 million on the DEED list provides a total of \$206 million in projects for districts with a 30% participating share.
- The application process and local share requirement of 30% are the same as in the current program.
- The bill earmarks \$60 million (40%) to Anchorage and \$90 million to the rest of the state, approximating most recent school debt reimbursement program. Fairbanks retains its FY99 allocation of \$57 million through FY2003. The district has programmed the use of less than \$13 million so far.
- Given past experience, it is projected that debt would be issued in \$30 million increments over five years, with new debt reimbursement payments beginning in FY2003.

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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 26, 2000

The Honorable Brian Porter
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Porter:

Part of my Quality Schools Initiative is the provision of adequate, safe and well-maintained schools in which our children can learn. Unfortunately, with declining general fund capital budgets, the backlog of needed school construction and major maintenance projects across our state has continued to grow. Today I am introducing a \$510 million package that will address all of the statewide deferred maintenance list and two-thirds of the current statewide prioritized list of construction projects. In addition, the bill extends the 70 percent school debt reimbursement program for those districts that bond directly for projects.

The revenues for the state portion of the bond proposal rely largely on Alaska's share of national tobacco settlement funds. The settlement proceeds would serve as security for bonds issued by a subsidiary of the Alaska Housing Finance Corporation (AHFC). Additional proceeds would be raised from bonds issued directly by AHFC. This method for raising school construction money preserves the state's debt capacity.

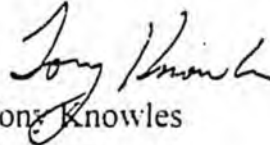
The program will provide \$360 million for all 86 major maintenance projects and 40 of 69 new school construction projects on the current Department of Education and Early Development priority list. The current priority list will remain in effect over the next three years to allow these critical projects to be funded.

To address funding for school districts with the capacity to bond, my proposal includes \$150 million in authorization for a 70% school debt retirement program. This authorization will provide \$60 million for the state's largest school district and \$90 million for other municipal districts.

The Honorable Brian Porter
January 26, 2000
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We know we have needs beyond what is included in this package. However, this proposal will address a significant portion of our existing need, address issues raised in the Kasayulie case, and provide adequate space and safe learning environments for Alaska's children. I urge your prompt and favorable action.

Sincerely,

A handwritten signature in cursive script that reads "Tony Knowles".

Tony Knowles
Governor

SENATE BILL NO. 228

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/27/00

Referred: HES, State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the financing of construction and major maintenance of
2 public school facilities; authorizing the commissioner of revenue to sell the right
3 to receive a portion of the anticipated revenue from a certain tobacco litigation
4 settlement to the Alaska Housing Finance Corporation; authorizing the issuance of
5 bonds by the Alaska Housing Finance Corporation with proceeds to finance public
6 school construction and major maintenance grants; providing for the creation of
7 subsidiary corporations of the Alaska Housing Finance Corporation for the purpose
8 of financing or facilitating the financing of public school construction and major
9 maintenance grants; relating to the annual public school construction and major
10 maintenance grant application and approval process; providing for allocation of
11 additional reimbursement of public school construction debt; and providing for an
12 effective date."

1 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

2 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new
3 section to read:

4 INTENT. In connection with the authorization contained in sec. 3(b) of this Act, the
5 legislature restates and reaffirms its intent as expressed in sec. 1, ch. 129, SLA 1998, that the
6 sum of withdrawals for repayment of bonds under sec. 3(b) of this Act and for all other
7 purposes described in sec. 1, ch. 129, SLA 1998, should not exceed the Alaska Housing
8 Finance Corporation's net income for the preceding fiscal year, which the Alaska Housing
9 Finance Corporation projects to be \$103,000,000 for the fiscal years beginning with 2000
10 through 2008, for a total during that nine-year period of \$927,000,000.

11 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section
12 to read:

13 **SALE OF RIGHT TO RECEIVE ANTICIPATED SPECIAL REVENUE.** (a) The
14 commissioner of revenue is authorized to sell to the Alaska Housing Finance Corporation the
15 right to receive a portion of the revenue derived from the settlement of *State of Alaska v.*
16 *Philip Morris, Inc., et al*, No. 1JU-97-915CI (Alaska Super. 1997).

17 (b) The proceeds of the sale of the right to receive revenue sold under (a) of this
18 section are anticipated to be not less than \$269,000,000, and the proceeds will be used to
19 finance state grants for construction and major maintenance of public school facilities, as
20 provided in sec. 3 of this Act.

21 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section
22 to read:

23 **BOND AUTHORIZATION AND PROVISIONS.** (a) Notwithstanding the limitation
24 in AS 18.56.090 or other provisions of law, the Alaska Housing Finance Corporation or a
25 subsidiary corporation created under AS 18.56.086 is authorized to issue revenue bonds in
26 principal amounts sufficient to acquire the right to receive revenue described in sec. 2 of this
27 Act from the commissioner of revenue at a price agreed upon by the Alaska Housing Finance
28 Corporation and the commissioner of revenue. The bonds may be special, limited obligations
29 of the Alaska Housing Finance Corporation or of the subsidiary corporation secured solely by
30 the right to receive revenue sold to the Alaska Housing Finance Corporation under sec. 2 of
31 this Act, and the Alaska Housing Finance Corporation or the subsidiary corporation may

1 include in agreements with the bondholders a pledge of the right to receive that revenue and
 2 the promise of the state to honor that pledge.

3 (b) In addition to the authorization provided by (a) of this section, and notwithstanding
 4 the limitation contained in AS 18.56.090 or other provision of law, the Alaska Housing
 5 Finance Corporation is authorized to issue \$100,000,000 in bonds to finance state grants for
 6 construction and major maintenance of public school facilities.

7 (c) Bonds issued under this section may be further secured by a capital reserve fund
 8 described in AS 18.56.125. AS 18.56.110 - 18.56.190 apply to bonds issued under this
 9 section.

10 (d) Subject to agreements with bondholders and appropriation as described in (e) of
 11 this section, the Alaska Housing Finance Corporation shall make the proceeds of the bonds
 12 issued under (a) and (b) of this section available to the Department of Education and Early
 13 Development to pay for expenditures described in (e) of this section, including reimbursement
 14 to the Department of Education and Early Development for such expenditures.

15 (e) Subject to appropriation and to the grant conditions of AS 14.11.017, the proceeds
 16 of the bonds issued under (a) and (b) of this section shall be awarded as school construction
 17 grants and major maintenance grants under AS 14.11.005 and 14.11.007 in the fiscal years
 18 2001, 2002, and 2003, in the following amounts and for the following projects:

19 (1) in fiscal year 2001,

20	SCHOOL CONSTRUCTION PROJECTS	AMOUNT
21	(A) Kashunamiut - Chevak School Replacement	\$ 27,008,049
22	(B) Lower Yukon - Pilot Station School Replacement	17,654,005
23	(C) Southwest Region - Manokotak School Replacement	13,316,704
24	(D) Lower Yukon - Kotlik School Replacement	17,910,901
25	(E) Bering Strait - Elim School Phase III	12,146,788

26 (2) in fiscal year 2001,

27	MAJOR MAINTENANCE PROJECTS	AMOUNT
28	(A) Juneau City Borough - Auke Bay Elementary	
29	Roof Replacement	\$ 653,842
30	(B) Petersburg City - Fascia/Soffit Repair/Replacement	
31	Recovery of Funds	112,960

		1-GS2044.A
1	(C) Yukon-Koyukuk - Nulato Structural Repairs	400,724
2	(D) Northwest Arctic - Buckland Phase III, Renovation	1,406,396
3	(E) Juneau City Borough - Marie Drake Roof	
4	Replacement	599,501
5	(F) Pribilof Island - St. George School Remodel	4,385,970
6	(G) Bering Strait - Shishmaref School Roof Replacement	
7	and Renovation, Phase III	8,133,754
8	(H) Juneau City Borough - Harborview Elementary	
9	Gym Roof Replacement	106,604
10	(I) Chatham - Angoon Elementary School Major	
11	Maintenance	2,222,675
12	(J) Lake & Peninsula - Pedro Bay School	
13	Renovation/Relocation/Reconstruction	1,557,714
14	(K) Wrangell City - Wrangell Elementary and High	
15	School Structural Repairs	363,650
16	(L) Wrangell City - Elementary Schools Renovation	1,229,000
17	(M) Ketchikan - Schoenbar Renovation, Phase I	2,219,785
18	(N) Wrangell City - Middle School Renovation	168,518
19	(O) Hoonah City - Swimming Pool Sprinkler	212,458
20	(P) North Slope Borough - Tikigaq School	
21	Renovation	3,713,270
22	(Q) Kenai Peninsula - McNeil Canyon Elementary	
23	Wastewater Treatment System Replacement	125,300
24	(R) Tanana City - Tanana Kitchen Renovation	426,179
25	(S) Chatham - Angoon High School Major	
26	Maintenance	1,587,794
27	(T) Iditarod Area - Takotna Community School	
28	Water Project	179,512
29	(U) Iditarod Area - Blackwell School Heating	
30	Renovation & Site Repair	280,010
31	(V) Wrangell City - Elementary & High Schools	

1	Roof & Exterior Repairs	103,760
2	(W) Galena - Project Education Food Service	
3	Renovation	159,088
4	(X) Delta/Greely - Fort Greely Utility Conversion	1,996,941
5	(3) in fiscal year 2002,	
6	SCHOOL CONSTRUCTION PROJECTS	AMOUNT
7	(A) Northwest Arctic - Noorvik K-12	
8	Improvements	\$ 13,633,183
9	(B) Bering Strait - Golovin School Phase III	9,609,516
10	(C) Southwest Region - Togiak School	
11	Replacement	24,587,542
12	(D) Bering Strait - Koyuk K-12 School	14,059,664
13	(E) Yupiit - Akiachak Elementary Replacement	
14	and Secondary Renovation	14,370,287
15	(F) Yupiit - Tuluksak Elementary and Secondary	
16	Improvement	14,641,631
17	(4) in fiscal year 2002,	
18	MAJOR MAINTENANCE PROJECTS	AMOUNT
19	(A) Sitka City Borough - Blatchley Middle	
20	School Exterior Upgrade	\$ 317,638
21	(B) Southwest Region - Clark's Point Generator	
22	Building	36,302
23	(C) Kenai Peninsula - Kenai Central High School	
24	Reinsulate Exterior Walls	367,648
25	(D) Yakutat City - Yakutat High School Gym	
26	Structural Repairs	86,936
27	(E) Dillingham City - Elementary School	
28	Weatherization	146,860
29	(F) Yupiit - Akiak High School Repairs	329,954
30	(G) Juneau City Borough - High School Heating	
31	& Ventilation	65,303

1	(H) Juneau City Borough - High School Auxiliary	
2	Gym Floor Replacement	109,385
3	(I) Nenana City - Elementary Wing Sprinkler	
4	Expansion	106,333
5	(J) Juneau City Borough - Juneau-Douglas High	
6	School Renovation	9,097,138
7	(K) Alaska Gateway - Tok Multipurpose	
8	Recreation Complex Renovation	969,494
9	(L) Southwest Region - Koliganek School	
10	Weather Protection	379,555
11	(M) Galena - High School Repairs	128,662
12	(N) Juneau City Borough - Floyd Dryden Middle	
13	School Gym Floor Replacement	108,236
14	(O) Hoonah City - Hoonah Schools Renovation	1,223,725
15	(P) Lower Yukon - Alakanuk Mechanical System	
16	Upgrade	997,557
17	(Q) Kuspuk - George Morgan Sr. High School	
18	Sewage System Replacement	411,975
19	(R) Lower Yukon - Emmonak Mechanical System	
20	Upgrade	715,772
21	(S) Iditarod Area - David-Louis Memorial School	
22	Asbestos Abatement & Demolition	417,246
23	(T) Denali Borough - Cantwell School Heating	
24	and Sprinkler System	668,125
25	(U) Hydaburg City - Upgrading Facilities &	
26	Tanks Project	899,948
27	(V) Lower Kuskokwim - Districtwide Water	
28	Treatment, Subsurface Sources	1,470,000
29	(W) Denali Borough - Cantwell School Code	
30	Upgrade & Roof Repair	334,468
31	(X) Dillingham City - Central Administration	

1	Roof	50,250
2	(Y) Kenai Peninsula - Soldotna High School	
3	Roofing Replacement	644,014
4	(Z) Tanana City - Tanana School Major	
5	Maintenance	2,976,374
6	(AA) Yakutat City - Yakutat High School	
7	Renovation	143,906
8	(BB) Chugach - Whittier Fire Alarm Replacement	40,431
9	(CC) Mat-Su Borough - Fire Alarm Systems,	
10	5 Schools	620,648
11	(DD) Juneau City Borough - Gastineau	
12	Elementary Heating Coil Replacement	133,053
13	(EE) Iditarod Area - Innoko River School	
14	Water & Sewer Emergency	190,407
15	(FF) Denali Borough - Anderson School Heating	
16	& Ventilation	1,164,266
17	(GG) Mat-Su Borough - Septic System Upgrade,	
18	Colony High School	159,416
19	(HH) Mat-Su Borough - Fuel Tank Replacement	
20	Districtwide	126,261
21	(II) Mat-Su Borough - Fire Sprinklers & Piping,	
22	3 Schools	1,381,770
23	(JJ) Alaska Gateway - Tetlin Sewer Line	85,031
24	(KK) Dillingham City - High School Fire	
25	Panel Replacement	64,623
26	(LL) Dillingham City - High School Gym Roof	158,151
27	(MM) Kuspuk - Crow Village Sam School	
28	Sewage System Replacement, Chuathbaluk	349,272
29	(NN) Juneau City Borough - Floyd Dryden	
30	Middle School Renovation	3,629,683
31	(5) in fiscal year 2003,	

1	SCHOOL CONSTRUCTION PROJECTS	AMOUNT
2	(A) Bering Strait - Teller K-12 School Expansion	\$ 11,825,312
3	(B) Bering Strait - White Mountain New K-12	
4	School	10,787,903
5	(C) Lower Yukon - Hooper Bay Renovation	
6	& Addition	15,459,618
7	(D) Southeast Island - Naukati School	
8	Replacement	3,183,725
9	(E) Southeast Island - Howard Valentine School	
10	Construction	2,095,651
11	(F) Lower Kuskokwim - Chief Paul Memorial	
12	School Addition, Kipnuk	9,404,511
13	(G) Northwest Arctic - Ambler K-12 Improvements	5,788,063
14	(H) Copper River - Glennallen Elementary	
15	School Replacement	6,005,661
16	(I) Iditarod Area - Lime Village School Addition	280,010
17	(J) Southwest Region - New Stuyahok K-12	
18	Remodel & Expansion	410,096
19	(K) Northwest Arctic - Kiana K-12 Improvements	7,856,971
20	(L) Lower Kuskokwim - Chaptnguak School	
21	Addition, Chcfornak	288,707
22	(M) Kake City - Kake Elementary Addition	2,237,460
23	(N) Lower Kuskokwim - Dick R. Kiunya	
24	Memorial School Addition, Kongiganak	205,060
25	(O) Lower Yukon - Scammon Bay Renovation	
26	& Addition	433,029
27	(P) Cordova - Mount Eccles Renovation/Addition	3,026,456
28	(Q) Yukon Flats - Circle K-12 Replacement	1,953,949
29	(R) Yukon Flats - Arctic Village Addition &	
30	Renovation	3,925,459
31	(S) Kodiak Island - Peterson Elementary	

1	Addition	756,000
2	(T) Craig City - Craig Elementary School	
3	Addition/Renovation	5,001,968
4	(U) Haines - Haines Kitchen Remodel &	
5	Cafeteria Addition	435,448
6	(V) Lower Kuskokwim - Nightmute School	
7	Addition	153,020
8	(W) Lower Kuskokwim - Joann Alexie Memorial	
9	School Addition	172,029
10	(X) Lower Kuskokwim - Kwethluk School Addition	292,410
11	(Y) Lower Kuskokwim - Kwigillingok School	
12	Addition	186,262
13	(Z) Lower Yukon - Sheldon Point Renovation	
14	& Addition	294,806
15	(AA) Southeast Island - Covered Physical	
16	Education Areas	211,174
17	(BB) Kuspuk - Joseph & Olinga Gregory	
18	Elementary Replacement, Upper Kalskag	3,977,981
19	(CC) Aleutian Region - Nikolski Multipurpose	
20	Room Addition	641,733
21	(6) in fiscal year 2003,	
22	MAJOR MAINTENANCE PROJECTS	AMOUNT
23	(A) Kake City - Kake Middle School	
24	Renovation & Generator Installation	\$ 300,075
25	(B) Iditarod Area - Innoko River School	
26	Vocational Education Code Upgrade	73,821
27	(C) Dillingham City - Elementary Gym Floor	51,562
28	(D) Copper River - Glennallen High School	
29	Gym Floor Renovation	183,544
30	(E) Chugach - Tatitlek Fire Alarm Replacement	
31	& Security System	35,471

1	(F) Kuspuk - Johnnie John Sr. School Sewage	
2	System Replacement, Crooked Creek	356,257
3	(G) Iditarod Area - McGrath School Foundation	
4	& Deterioration Repairs	188,835
5	(H) Mat-Su Borough - Boiler & Water Heater	
6	Replacement, 4 Schools	221,051
7	(I) Sitka City Borough - Districtwide Major	
8	Maintenance	482,058
9	(J) Chugach - Districtwide Fuel Tank Upgrades	227,642
10	(K) Galena - High School Floor Renovation	128,786
11	(L) Hoonah City - Hoonah Pool Upgrades	167,394
12	(M) Chugach - Tatitlek Generator Replacement	197,122
13	(N) Lower Kuskokwim - Callback School Boiler	
14	Replacement	287,041
15	(O) Mat-Su Borough - Carpet Replacement, 6	
16	Elementary Schools	423,507
17	(P) Yukon Flats - Chalkyitsik Sewage Lagoon	
18	& Water Tank	780,341
19	(Q) Lower Kuskokwim - Districtwide Asbestos	
20	Abatement	4,865,404
21	(R) Iditarod Area - McGrath School Heating &	
22	Mechanical Design & Renovation	244,373
23	(S) Lower Kuskokwim - Districtwide ADA Upgrade	2,203,040
24	(T) Iditarod Area - Holy Cross School Shower,	
25	Bathroom & Flooring Deterioration	49,384
26	(U) Yukon Flats - Fort Yukon High School	
27	Gym Sprinklers	115,353
28	(V) Dillingham City - Oil Tank Removal/	
29	Replacement	51,562

30 * Sec. 4. The uncodified law of the State of Alaska is amended by adding a new section
31 to read:

1 SUSPENSION OF STATUTORY SCHOOL CONSTRUCTION AND MAJOR
2 MAINTENANCE GRANT APPLICATION PROCESS. The provisions of AS 14.11.011,
3 14.11.013, 14.11.015, and 14.11.016 are suspended.

4 * Sec. 5. AS 14.11.100(a) is amended by adding a new paragraph to read:

5 (10) subject to (h), (i), (j), and (p) of this section and after projects
6 financed by the bonds, notes, or other indebtedness have been approved by the
7 commissioner, 70 percent of payments made by a municipality during the fiscal year
8 for the retirement of principal and interest on outstanding bonds, notes, or other
9 indebtedness authorized by the qualified voters of the municipality on or after July 1,
10 1997, to pay the costs that exceed \$200,000 of school construction projects and major
11 maintenance projects that are approved under AS 14.07.020(a)(11).

12 * Sec. 6. AS 14.11.100(h) is amended to read:

13 (h) An allocation under (a)(4), (5), (6), (7), (8), [OR] (9), or (10) of this
14 section for school construction begun after July 1, 1982, shall be reduced by the
15 amount of money used for the construction of residential space, hockey rinks,
16 planetariums, saunas, and other facilities for single purpose sporting or recreational
17 uses that are not suitable for other activities and by the money used for construction
18 that exceeds the amount needed for construction of a facility of efficient design as
19 determined by the department. An allocation under (a)(4), (5), (6), (7), (8), [OR] (9),
20 or (10) of this section may not be reduced by the amount of money used for
21 construction of a small swimming pool, tank, or water storage facility used for water
22 sports. However, an allocation shall be reduced by the difference between the amount
23 of money used to construct a swimming pool that exceeds the standards adopted by
24 the department and the amount of money that would have been used to construct a
25 small swimming pool, tank, or water storage facility, as determined by the
26 commissioner.

27 * Sec. 7. AS 14.11.100(i) is amended to read:

28 (i) For the purposes of (a)(4) - (10) [(a)(4) - (9)] of this section,
29 (1) an indebtedness for bonds is incurred after the bonds are sold;
30 (2) reimbursement for a cash payment may only be made after the
31 payment is made to a vendor; and

1 (3) payments may not be made for costs that are incurred under a
2 contract after the contract has been released.

3 * Sec. 8. AS 14.11.100(j) is amended to read:

4 (j) Except as provided in (l) of this section, the state may not allocate money
5 to a municipality for a school construction project under (a)(5), (6), (7), [OR] (9), or
6 (10) of this section unless the municipality complies with the requirements of (1) - (4)
7 of this subsection, the project is approved by the commissioner before the local vote
8 on the bond issue for the project or for bonds authorized after March 31, 1990, but on
9 or before April 30, 1993, the bonds are approved by the commissioner before
10 reimbursement by the state, and the local vote occurs before July 1, 1987, or after
11 June 30, 1988. In approving a project under this subsection, and to the extent required
12 under (a)(8) of this section, the commissioner shall require

13 (1) the municipality to include on the ballot for the bond issue, for
14 bonds authorized on or before March 31, 1990, or after April 30, 1993, the estimated
15 total cost of each project including estimated total interest, estimated annual operation
16 and maintenance costs, the estimated amounts that will be paid by the state and by the
17 municipality, and the approximate amount that would be due in annual taxes on
18 \$100,000 in assessed value to retire the debt;

19 (2) that the bonds may not be refunded unless the annual debt service
20 on the refunding issue is not greater than the annual debt service on the original issue;

21 (3) that the bonds must be repaid in approximately equal annual
22 principal payments or approximately equal debt service payments over a period of at
23 least 10 years;

24 (4) the municipality to demonstrate need for the project by establishing
25 that the school district has

26 (A) projected long-term student enrollment that indicates the
27 district has inadequate facilities to meet present or projected enrollment;

28 (B) facilities that require repair or replacement in order to meet
29 health and safety laws or regulations or building codes;

30 (C) demonstrated that the project will result in a reduction in
31 annual operating costs that economically justifies the cost of the project; or

1 (D) facilities that require modification or rehabilitation for the
2 purpose of improving the instructional program.

3 * Sec. 9. AS 14.11.100 is amended by adding a new subsection to read:

4 (p) The total amount of public school construction projects approved for
5 reimbursement by the department under (a)(10) of this section

6 (1) may not exceed \$150,000,000; and

7 (2) is allocated as follows:

8 (A) \$60,000,000 is allocated to projects in a municipality with
9 a public school enrollment of 25,000 or more students in fiscal year 2000 as
10 determined under AS 14.17.600;

11 (B) \$90,000,000 is allocated to projects in a municipality with
12 a public school enrollment of less than 25,000 students in fiscal year 2000 as
13 determined under AS 14.17.600.

14 * Sec. 10. AS 18.56 is amended by adding a new section to read:

15 **Sec. 18.56.086. Creation of subsidiaries.** Any corporation may create
16 subsidiary corporations for the purpose of financing or facilitating the financing of
17 school construction grants and major maintenance grants under AS 14.11.005 -
18 14.11.020. A subsidiary corporation created under this section may be incorporated
19 under AS 10.20.146 - 10.20.166. The corporation may transfer assets of the
20 corporation to a subsidiary created under this section. A subsidiary created under this
21 section may borrow money and issue bonds as evidence of that borrowing and has all
22 the powers of the corporation that the corporation grants to it. Unless otherwise
23 provided by the corporation, the debts, liabilities, and obligations of a subsidiary
24 corporation created under this section are not the debts, liabilities, or obligations of the
25 corporation.

26 * Sec. 11. Section 4 of this Act is repealed July 1, 2002.

27 * Sec. 12. Section 4 of this Act takes effect immediately under AS 01.10.070(c).

28 * Sec. 13. Except as provided in sec. 12 of this Act, this Act takes effect July 1, 2000.

Alaska Department of Education and Early Development

Capital Improvement Projects (FY2001)

Reconsideration List

Proposed 3 Year School Construction and Major Maintenance Funding

	Priority Doc.15	School District	Project Name	Amount Requested	Eligible Amount	Participating Share	12/15 Priority List State Share	Gov. Plan State Share	Aggregate Amount
School Construction									
Year 1									
REAA	1	Kashunamiut	Chevak School Replacement	30,610,323	27,559,234	551,185	27,008,049	27,008,049	27,008,049
REAA	2	Lower Yukon	Pilot Station School Replacement	17,760,137	18,014,389	360,286	17,654,003	17,654,003	44,662,052
REAA	3	Southwest Region	Manokotak School Replacement	24,514,681	13,588,473	271,769	13,316,704	13,316,704	57,978,756
REAA	4	Lower Yukon	Kotlik School Replacement	19,121,687	18,276,430	365,529	17,910,901	17,910,901	75,889,657
REAA	5	Bering Strait	Elim School Phase III	12,504,719	12,394,682	247,894	12,146,788	12,146,788	88,036,445
Sub Total School Construction				104,511,547	89,833,108	1,796,663	88,036,445	88,036,445	
Major Maintenance									
Year 1									
	1	Juneau City Borough	Auke Bay Elementary Roof Replacement	934,060	934,060	280,218	653,842	653,842	88,690,287
	2	Petersburg City	Fascia/Soffit Repair/Replacement Recovery Of Funds	161,371	161,371	48,411	112,960	112,960	88,803,247
REAA	3	Yukon-Koyukuk	Nulato Structural Repairs	408,902	408,902	8,178	400,724	400,724	89,203,971
	4	Northwest Arctic	Buckland Phase III, Renovation	2,577,298	2,009,137	602,741	1,406,396	1,406,396	90,610,367
	5	Juneau City Borough	Marie Drake Roof Replacement	856,430	856,430	256,929	599,501	599,501	91,209,868
REAA	6	Pribilof Island	St. George School Remodel	4,475,480	4,475,480	89,510	4,385,970	4,385,970	95,595,838
REAA	7	Bering Strait	Shishmaref School Roof Replacement And Renovation, Phase III	10,064,449	8,299,749	165,995	8,133,754	8,133,754	103,729,592
	8	Juneau City Borough	Harborview Elementary Gym Roof Replacement	152,291	152,291	45,687	106,604	106,604	103,836,196
REAA	9	Chatham	Angoon Elementary School Major Maintenance	2,767,595	2,268,036	45,361	126,846	2,222,675	106,058,871
	10	Lake & Peninsula	Pedro Bay School Renovation/Relocation/Reconstruction	1,730,793	1,730,793	173,079	1,557,714	1,557,714	107,616,585
	11	Wrangell City	Wrangell Elementary And High School Structural Repairs	319,315	519,500	155,850	363,650	363,650	107,980,235
	12	Wrangell City	Elementary Schools Renovation	1,755,714	1,755,714	526,714	1,229,000	1,229,000	109,209,235
	13	Ketchikan	Schoenbar Renovation, Phase I	3,171,122	3,171,122	951,337	2,219,785	2,219,785	111,429,020
	14	Wrangell City	Middle School Renovation	240,740	240,740	72,222	168,518	168,518	111,597,538
	15	Hoonah City	Swimming Pool Sprinkler	236,064	236,064	23,606	212,458	212,458	111,809,996
	16	North Slope Borough	Tikigaq School Renovation	6,590,940	5,712,723	1,999,453	3,715,270	3,715,270	115,523,266
	17	Kenai Peninsula	McNeil Canyon Elementary Wastewater Treatment System Replacement	179,000	179,000	53,700	125,300	125,300	115,648,566
	18	Tanana City	Tanana Kitchen Renovation	448,610	448,610	22,431	426,179	426,179	116,074,745
REAA	19	Chatham	Angoon High School Major Maintenance	1,998,270	1,722,239	34,445	1,687,794	1,687,794	117,762,539
REAA	20	Iditarod Area	Takotna Community School Water Project	183,176	183,176	3,664	179,512	179,512	117,942,051
REAA	21	Iditarod Area	Blackwell School Heating Renovation & Site Repair	184,015	285,725	5,715	280,010	280,010	118,222,061
	22	Wrangell City	Elementary & High Schools Roof & Exterior Repairs	148,228	148,228	44,468	103,760	103,760	118,325,821
	23	Galena	Project Education Food Service Renovation	167,461	167,461	8,373	159,088	159,088	118,484,909
REAA	24	Delta/Greely	Fort Greely Utility Conversion	2,037,695	2,037,695	40,754	1,996,941	1,996,941	120,481,850
Sub Total Major Maintenance				41,789,219	38,104,246	5,658,841	30,349,576	32,445,405	
Year 1 Totals				146,300,766	127,937,354	7,455,504	118,386,021	120,481,850	

Alaska Department of Education and Early Development

Capital Improvement Projects (FY2001)

Reconsideration List

Proposed 3 Year School Construction and Major Maintenance Funding

	Priority Dec.15	School District	Project Name	Amount Requested	Eligible Amount	Participating Share	12/15 Priority List State Share	Gov. Plan State Share	Aggregate Amount
School Construction									
Year 2									
	6	Northwest Arctic	Noorvik K-12 Improvements	21,097,783	19,475,976	5,842,793	13,633,183	13,633,183	134,115,033
REAA	7	Bering Strait	Golovin School Phase III	9,816,295	9,805,629	196,113	9,609,516	9,609,516	143,724,549
REAA	8	Southwest Region	Togiak School Replacement	29,079,157	25,089,329	501,787	24,587,542	24,587,542	168,312,091
REAA	9	Bering Strait	Koyuk K-12 School	14,346,596	14,346,595	286,932	600,737	14,059,664	182,371,755
REAA	10	Yupit	Akiachak Elementary Replacement And Secondary Renovation	18,058,007	14,663,558	293,271	14,370,287	14,370,287	196,742,042
REAA	11	Yupit	Tuluksak Elementary And Secondary Improvement	23,459,018	14,940,440	298,809	612,761	14,641,631	211,383,673
Sub Total School Construction				115,856,856	98,321,528	7,419,705	63,414,026	90,901,823	
Major Maintenance									
Year 2									
	25	Sitka City Borough	Blatchley Middle School Exterior Upgrade	450,587	453,769	136,131	317,638	317,638	211,701,311
REAA	26	Southwest Region	Clark's Point Generator Building	37,043	37,043	741	36,302	36,302	211,737,613
	27	Kenai Peninsula	Kenai Central High School Reinsulate Exterior Walls	466,208	525,212	157,564	367,648	367,648	212,105,261
	28	Yakutat City	Yakutat High School Gym Structural Repairs	124,194	124,194	37,258	86,936	86,936	212,192,197
	29	Dillingham City	Elementary School Weatherization	209,800	209,800	62,940	146,860	146,860	212,339,057
REAA	30	Yupit	Akiak High School Repairs	336,688	336,688	6,734	329,954	329,954	212,669,011
	31	Juneau City Borough	High School Heating & Ventilation	93,290	93,290	27,987	65,303	65,303	212,734,314
	32	Juneau City Borough	High School Auxillary Gym Floor Replacement	156,265	156,265	46,880	109,385	109,385	212,843,699
	33	Nenana City	Elementary Wing Sprinkler Expansion	111,930	111,930	5,597	106,333	106,333	212,950,032
	34	Juneau City Borough	Juneau-Douglas High School Renovation	12,995,912	12,995,912	3,898,774	9,097,138	9,097,138	222,047,170
REAA	35	Alaska Gateway	Tok Multipurpose Recreation Complex Renovation	989,280	989,280	19,786	969,494	969,494	223,016,664
REAA	36	Southwest Region	Koliganek School Weather Protection	457,683	387,301	7,746	379,555	379,555	223,396,219
	37	Galena	High School Repairs	135,434	135,434	6,772	128,662	128,662	223,524,881
	38	Juneau City Borough	Floyd Dryden Middle School Gym Floor Replacement	154,623	154,623	46,387	108,236	108,236	223,633,117
	39	Hoonah City	Hoonah Schools Renovation	1,507,620	1,359,694	135,969	1,223,725	1,223,725	224,856,842
REAA	40	Lower Yukon	Alakanuk Mechanical System Upgrade	1,016,334	1,017,915	20,358	997,557	997,557	225,854,399
REAA	41	Kuspuk	George Morgan Sr. High School Sewage System Replacement	1,839,411	420,383	8,408	411,975	411,975	226,266,374
REAA	42	Lower Yukon	Emmonak Mechanical System Upgrade	729,245	730,380	14,608	715,772	715,772	226,982,146
REAA	43	Iditarod Area	David-Louis Memorial School Asbestos Abatement & Demolition	425,761	425,761	8,515	417,246	417,246	227,399,392
	44	Denali Borough	Cantwell School Heating And Sprinkler System	1,673,140	954,465	286,340	668,125	668,125	228,067,517
	45	Hydaburg City	Upgrading Facilities & Tanks Project	947,314	947,314	47,366	899,948	899,948	228,967,465
REAA	46	Lower Kuskokwim	Districtwide Water Treatment, Subsurface Sources	1,500,000	1,500,000	30,000	1,470,000	1,470,000	230,437,465
	47	Denali Borough	Cantwell School Code Upgrade & Roof Repair	477,812	477,812	143,344	334,468	334,468	230,771,933
	48	Dillingham City	Central Administration Roof	71,786	71,786	21,536	50,250	50,250	230,822,183
	49	Kenai Peninsula	Soldotna High School Roofing Replacement	792,298	920,020	276,006	644,014	644,014	231,466,197
	50	Tanana City	Tanana School Major Maintenance	3,133,025	3,133,025	156,651	2,976,374	2,976,374	234,442,571
	51	Yakutat City	Yakutat High School Renovation	205,580	205,580	61,674	143,906	143,906	234,586,477
REAA	52	Chugach	Whittier Fire Alarm Replacement	41,256	41,256	825	40,431	40,431	234,626,908
	53	Mat-Su Borough	Fire Alarm Systems, 5 Schools	886,640	886,640	265,992	620,648	620,648	235,247,556
	54	Juneau City Borough	Gastineau Elementary Heating Coil Replacement	190,076	190,076	57,023	133,053	133,053	235,380,609
REAA	55	Iditarod Area	Innoko River School Water & Sewer Emergency	194,293	194,293	3,886	190,407	190,407	235,571,016
	56	Denali Borough	Anderson School Heating & Ventilation	1,663,237	1,663,237	498,971	1,164,266	1,164,266	236,735,282
	57	Mat-Su Borough	Septic System Upgrade, Colony High School	227,737	227,737	68,321	159,416	159,416	236,894,698
	58	Mat-Su Borough	Fuel Tank Replacement Districtwide	180,373	180,373	54,112	126,261	126,261	237,020,959
	59	Mat-Su Borough	Fire Sprinklers & Piping, 3 Schools	1,973,957	1,973,957	592,187	1,381,770	1,381,770	238,407,729
REAA	60	Alaska Gateway	Tetiin Sewer Line	77,897	86,766	1,735	85,031	85,031	238,487,760
	61	Dillingham City	High School Fire Panel Replacement	92,318	92,318	27,695	64,623	64,623	238,552,383
	62	Dillingham City	High School Gym Roof	225,930	225,930	67,779	158,151	158,151	238,710,534
REAA	63	Kuspuk	Crow Village Sam School Sewage System Replacement, Chuathbaluk	356,400	356,400	7,128	349,272	349,272	239,059,806
	64	Juneau City Borough	Floyd Dryden Middle School Renovation	5,185,261	5,185,261	1,555,578	3,629,683	3,629,683	242,689,489
Sub Total Major Maintenance				42,333,638	40,179,120	8,873,304	31,305,816	31,305,816	
Year 2 Totals				158,190,494	138,500,648	16,293,009	94,719,842	122,207,639	

Alaska Department of Education and Early Development
 Capital Improvement Projects (FY2001)
 Reconsideration List
 Proposed 3 Year School Construction and Major Maintenance Funding

	Priority Dec.15	School District	Project Name	Amount Requested	Eligible Amount	Participating Share	12/15 Priority List State Share	Gov. Plan State Share	Aggregate Amount
School Construction									
Year 3									
REAA	12	Bering Strait	Teller K-12 School Expansion	17,645,121	12,066,645	241,333	443,449	11,825,312	254,514,801
REAA	13	Bering Strait	White Mountain New K-12 School	14,589,599	11,000,064	220,161	522,146	10,787,903	265,302,704
REAA	14	Lower Yukon	Hooper Bay Renovation & Addition	16,947,069	15,775,120	315,502	623,836	15,459,618	280,762,322
REAA	15	Southeast Island	Naukatli School Replacement	3,227,821	3,248,699	64,974	3,183,725	3,183,725	283,946,047
REAA	16	Southeast Island	Howard Valentine School Construction	2,650,604	2,138,419	42,768	2,095,651	2,095,651	286,041,698
REAA	17	Lower Kuskokwim	Chief Paul Memorial School Addition, Klpruk	10,482,945	9,596,440	191,929	440,869	9,404,511	295,446,209
REAA	18	Northwest Arctic	Ambler K-12 Improvements	10,001,826	8,268,661	2,480,598	5,788,063	5,788,063	301,234,272
REAA	19	Copper River	Glennallen Elementary School Replacement	6,250,310	6,128,226	122,565	6,005,661	6,005,661	307,239,933
REAA	20	Iditarod Area	Lime Village School Addition	285,725	285,725	5,715	280,010	280,010	307,519,943
REAA	21	Southwest Region	New Stuyahok K-12 Remodel & Expansion	15,640,657	11,159,082	8,369	410,096	410,096	307,930,039
REAA	22	Northwest Arctic	Kiana K-12 Improvements	14,310,832	11,224,244	3,367,273	7,856,971	7,856,971	315,787,010
REAA	23	Lower Kuskokwim	Chapnguak School Addition, Chelornak	6,771,012	6,789,315	5,892	288,707	288,707	316,075,717
REAA	24	Kake City	Kake Elementary Addition	2,510,711	2,355,221	117,761	2,237,460	2,237,460	318,313,177
REAA	25	Lower Kuskokwim	Dick R. Kiunya Memorial School Addition, Kongiganak	3,962,289	4,513,201	4,185	205,060	205,060	318,518,237
REAA	26	Lower Yukon	Scammon Bay Renovation & Addition	10,294,839	10,449,769	8,837	433,029	433,029	310,951,266
REAA	27	Cordova	Mount Eccles Renovation/Addition	5,528,154	4,323,508	1,297,052	3,026,456	3,026,456	321,977,722
REAA	28	Yukon Flats	Circle K-12 Replacement	1,993,825	1,993,825	39,877	1,953,949	1,953,949	323,931,671
REAA	29	Yukon Flats	Arctic Village Addition & Renovation	4,063,974	4,005,570	80,111	3,925,459	3,925,459	327,857,130
REAA	30	Kodiak Island	Peterson Elementary Addition	1,080,000	1,080,000	324,000	756,000	756,000	328,613,130
REAA	31	Craig City	Craig Elementary School Addition/Renovation	7,425,362	7,145,669	2,143,701	5,001,968	5,001,968	333,615,098
REAA	32	Haines	Haines Kitchen Remodel & Cafeteria Addition	622,069	622,069	186,621	435,448	435,448	334,050,546
REAA	33	Lower Kuskokwim	Nightmute School Addition	2,889,030	3,097,152	3,123	153,020	153,020	334,203,566
REAA	34	Lower Kuskokwim	Joann Alexie Memorial School Addition	3,794,551	3,881,050	3,511	172,029	172,029	334,375,595
REAA	35	Lower Kuskokwim	Kwethluk School Addition	6,211,378	7,156,739	5,968	292,410	292,410	334,668,005
REAA	36	Lower Kuskokwim	Kwigillingok School Addition	3,867,722	4,001,685	3,801	186,262	186,262	334,854,267
REAA	37	Lower Yukon	Sheldon Point Renovation & Addition	7,692,021	6,688,588	6,016	294,806	294,806	335,149,073
REAA	38	Southeast Island	Covered Physical Education Areas	215,484	215,484	4,310	211,174	211,174	335,360,247
REAA	39	Kuspuk	Joseph & Olinga Gregory Elementary Replacement, Upper Kalskag	3,442,000	4,059,164	81,183	3,977,981	3,977,981	335,338,228
REAA	40	Aleutian Region	Nikolski Multipurpose Room Addition	706,106	654,830	13,097	641,733	641,733	339,979,961
Sub Total School Construction				185,103,036	163,932,164	11,390,233	51,843,428	97,290,472	
Major Maintenance									
Year 3									
REAA	65	Kake City	Kake Middle School Renovation & Generator Installation	315,868	315,868	15,793	300,075	300,075	340,280,036
REAA	66	Iditarod Area	Innoko River School Vocational Education Code Upgrade	75,328	75,328	1,507	73,821	73,821	340,353,857
REAA	67	Dillingham City	Elementary Gym Floor	73,660	73,660	22,098	51,562	51,562	340,405,419
REAA	68	Copper River	Glennallen High School Gym Floor Renovation	187,290	187,290	3,746	183,544	183,544	340,588,963
REAA	69	Chugach	Tatitlek Fire Alarm Replacement & Security System	36,195	36,195	724	35,471	35,471	340,624,434
REAA	70	Kuspuk	Johnnie John Sr. School Sewage System Replacement, Crooked Creek	363,528	363,528	7,271	356,257	356,257	340,980,691
REAA	71	Iditarod Area	McGrath School Foundation & Deterioration Repairs	192,689	192,689	3,854	188,835	188,835	341,169,526
REAA	72	Mat-Su Borough	Boiler & Water Heater Replacement, 4 Schools	315,787	315,787	94,736	221,051	221,051	341,390,577
REAA	73	Sitka City Borough	Districtwide Major Maintenance	688,655	688,655	206,597	482,058	482,058	341,872,635
REAA	74	Chugach	Districtwide Fuel Tank Upgrades	232,283	232,288	4,646	227,642	227,642	342,100,277
REAA	75	Galena	High School Floor Renovation	135,564	135,564	6,778	128,786	128,786	342,229,063
REAA	76	Hoonah City	Hoonah Pool Upgrades	188,685	185,993	18,599	167,394	167,394	342,396,457
REAA	77	Chugach	Tatitlek Generator Replacement	201,145	201,145	4,023	197,122	197,122	342,593,579
REAA	78	Lower Kuskokwim	Kilbuck School Boiler Replacement	292,899	292,899	5,858	287,041	287,041	342,880,620
REAA	79	Mat-Su Borough	Carpet Replacement, 6 Elementary Schools	605,010	605,010	181,503	423,507	423,507	343,304,127
REAA	80	Yukon Flats	Chalkyitsik Sewage Lagoon & Water Tank	1,408,849	796,266	15,925	780,341	780,341	344,084,468
REAA	81	Lower Kuskokwim	Districtwide Asbestos Abatement	4,964,698	4,964,698	99,294	4,865,404	4,865,404	348,949,872
REAA	82	Iditarod Area	McGrath School Heating & Mechanical Design & Renovation	249,360	249,360	4,987	244,373	244,373	349,194,245
REAA	83	Lower Kuskokwim	Districtwide ADA Upgrade	2,248,000	2,248,000	44,960	2,203,040	2,203,040	351,397,285
REAA	84	Iditarod Area	Holy Cross School Shower, Bathroom & Flooring Deterioration	50,392	50,392	1,008	49,384	49,384	351,446,669
REAA	85	Yukon Flats	Fort Yukon High School Gym Sprinklers	261,495	117,707	2,354	115,353	115,353	351,562,022
REAA	86	Dillingham City	Oil Tank Removal/Replacement	73,660	73,660	22,098	51,562	51,562	351,613,584
Sub Total Major Maintenance				13,161,045	12,401,982	768,359	11,633,623	11,633,623	
Year 3 Totals				198,264,081	176,334,146	12,158,592	63,477,051	108,924,095	

Alaska Department of Education and Early Development
 Capital Improvement Projects (FY2001)
 Reconsideration List
 Proposed 3 Year School Construction and Major Maintenance Funding

Priority Dec.15	School District	Project Name	Amount Requested	Eligible Amount	Participating Share	12/15 Priority List State Share	Gov. Plan State Share	Aggregate Amount
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Funding Summary -

Sub Total Major Maintenance Year 1	41,789,219	38,104,246	5,658,841	30,349,576	32,445,405
Sub Total Major Maintenance Year 2	42,333,638	40,179,120	8,873,304	31,305,816	31,305,816
Sub Total Major Maintenance Year 3	13,161,045	12,401,982	768,359	11,633,623	11,633,623
Total Major Maintenance	97,283,902	90,685,348	15,300,504	73,289,015	75,384,844
Sub Total School Construction Year 1	104,511,547	89,833,108	1,796,663	88,036,445	88,036,445
Sub Total School Construction Year 2	115,856,856	98,321,528	7,419,705	63,414,026	90,901,823
Sub Total School Construction Year 3	185,103,036	163,932,164	11,390,233	51,033,428	97,250,472
Total School Construction	405,471,439	352,086,800	20,606,601	203,293,899	276,228,740
Grands Totals	502,755,341	442,772,148	35,907,105	276,582,914	351,613,584

FISCAL NOTE

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

BILL NO. _____

Revision Date/Time _____ Dept. Affected Education & Early Development
 Title An Act related to the financing of construction BRU School Debt Reimbursement
and major maintenance of public school facilities... Component _____
 Sponsor Rules School Debt Reimbursement
 Requester Governor Component No. 153

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	0.0	0.0	2,700.0	5,400.0	8,100.0	10,800.0
Miscellaneous						
TOTAL OPERATING	0.0	0.0	2,700.0	5,400.0	8,100.0	10,800.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	2,700.0	5,400.0	8,100.0	10,800.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	2,700.0	5,400.0	8,100.0	10,800.0

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would authorize an additional \$150 million in school construction projects under AS 14.11.100. The debt on these projects will be eligible for 70% reimbursement. This legislation will allocate \$60 million in projects to municipalities with a public school enrollment of 25,000 or more students. The remaining \$90 million will be available for school construction projects to municipalities with a public school enrollment of less than 25,000 students. It is anticipated that as new debt is issued the reimbursement will occur beginning in FY2003. As the annual debt reimbursement on the existing program declines, funds will become available to help offset new debt authorization.

Prepared by: Eddy Jeans, School Finance Manager Phone 465-8679
 Division Education Support Services Date/Time 01/25/00
 Approved by: Richard S. Cross, Commissioner Date 1/26/2000
 Agency Education & Early Development

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FISCAL NOTE

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

BILL NO. _____

Revision Date/Time (Note if correction) _____	Dept. Affected _____	Revenue _____
Title <u>School Construction Financing</u>	BRU	<u>Alaska Housing Finance Corp</u>
Sponsor <u>Rules Committee</u>	Component	<u>Operations</u>
Requester <u>Governor</u>	Component No.	<u>110</u>

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	120,481.9	122,207.6	108,923.1	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	(29,804.1)	(29,078.5)	(30,265.7)	(30,301.6)	(47,643.5)

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: _____

POSITIONS

POSITIONS	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Under AS 18.56.089(a)(2)(A), activities of the corporation that relate to the issuance of obligations and the repayment of debt obligations are exempt from the provisions of the Executive Budget Act. These costs are included in the bond authorizations in the bill, including the cost of issuance, debt service reserves and capitalized interest. Debt service for these bonds will come from tobacco settlement funds and AHFC transfer payments that otherwise would have gone to the state treasury. This will result in a reduction in annual unrestricted revenues to the treasury (shown above).

Estimates for debt service and other costs are included in attached spreadsheets. These estimates are based on a number of assumptions, including future interest rates and bond ratings.

Operational costs for issuing and monitoring these bonds will be done with existing personnel and within the authorized operating budget requests for FY2001 and beyond. No budget authorizations are necessary with this fiscal note.

Prepared by:	<u>John Bitney, Legislative Liaison</u>	Phone:	<u>330-8445</u>
Division:	<u>Alaska Housing Finance Corporation</u>	Date/Time:	<u>1/25/00 6:24 PM</u>
Approved by Commissioner:	<u>Wilson Condon</u>	Date:	_____
Agency:	<u>Department of Revenue</u>		

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BOND DEBT SERVICE REPORT - DETAIL

State Education Bonds, 2000 Series A
 AHFC State Capital Project Bonds
 Under Current Plan
 Fixed Rate

SCP 2000A-1 (BON07)

Date	Bond Debt Service				Total Bond Payment	Bond Valuation	
	Maturing Principal	Rate	Interest Paid	Debt Service		Bond Balance	Accrued Bond-Value
Sep 1, 2000	-	-	-	-	-	102,365,000	102,365,000
Jun 30, 2001	-	-	-	-	-	102,365,000	102,365,000
Jun 30, 2002	3,365,000	4.85%	9,365,822	12,730,821.52	12,730,821.52	99,000,000	99,000,000
Jun 30, 2003	6,900,000	**	5,105,154	12,005,154.25	12,005,154.25	92,100,000	92,100,000
Jun 30, 2004	7,235,000	**	4,762,428	11,997,427.50	11,997,427.50	84,865,000	84,865,000
Jun 30, 2005	7,630,000	**	4,390,376	12,020,375.50	12,020,375.50	77,235,000	77,235,000
Jun 30, 2006	24,550,000	**	4,051,901	28,601,900.50	28,601,900.50	52,685,000	52,685,000
Jun 30, 2007	47,820,000	**	2,177,908	49,997,907.50	49,997,907.50	4,865,000	4,865,000
Dec 1, 2007	4,865,000	5.35%	130,139	4,995,138.75	4,995,138.75	-	-
	102,365,000		29,983,726	132,348,725.52	132,348,725.52		

BOND DEBT SERVICE REPORT

State Education Bonds, 2000 Series A
AHFC Tobacco Revenue Bonds

Date	Bond Debt Service			Redeemed Principal	Total Bond Payment	Bond Valuation		
	Maturing Principal	Interest Paid	Total Debt Serv			Bond Balance	Unpaid Interest	Accrued Bond Value
Dec 1, 2000	-	-	-	-	-	339,424,838	-	339,424,838.00
Jun 1, 2001	-	8,536,654	8,536,653.50	-	8,536,653.50	339,424,838	-25,894,758	313,530,079.68
Jun 1, 2002	-	17,073,307	17,073,307.00	-	17,073,307.00	339,424,838	-24,077,470	315,347,368.19
Jun 1, 2003	-	17,073,307	17,073,307.00	-	17,073,307.00	339,424,838	-22,232,505	317,192,332.60
Jun 1, 2004	1,195,000	17,073,307	18,268,307.00	-	18,268,307.00	338,229,838	-20,288,233	317,941,605.41
Jun 1, 2005	1,265,000	17,016,186	18,281,186.00	-	18,281,186.00	336,964,838	-18,174,546	318,790,291.62
Jun 1, 2006	1,315,000	16,934,363	18,249,363.00	792,200	19,041,563.00	334,857,638	-15,898,514	318,959,124.08
Jun 1, 2007	1,305,000	16,763,923	18,068,922.75	3,297,745	21,366,667.75	330,254,893	-13,584,625	316,670,267.80
Jun 1, 2008	8,005,033	16,510,842	24,523,075.25	3,653,297	28,177,172.25	318,596,563	-11,089,019	307,507,544.37
Jun 1, 2009	7,425,743	16,044,658	23,470,400.50	11,264,402	34,734,802.50	299,906,418	-8,782,498	291,123,919.71
Jun 1, 2010	7,024,780	15,323,998	22,348,777.50	12,821,504	35,170,281.50	280,060,134	-6,757,684	273,302,449.81
Jun 1, 2011	6,498,836	14,506,889	21,005,724.50	14,453,995	35,459,719.50	259,107,303	-5,053,386	254,053,917.40
Jun 1, 2012	6,102,273	13,593,025	19,695,297.50	16,272,088	35,967,385.50	236,732,942	-3,492,651	233,240,291.23
Jun 1, 2013	5,677,393	12,570,933	18,248,326.25	17,993,205	36,241,531.25	213,062,344	-2,233,165	210,829,178.79
Jun 1, 2014	5,219,481	11,437,588	16,657,068.50	19,769,157	36,426,225.50	188,073,706	-1,260,843	186,812,862.89
Jun 1, 2015	4,639,980	10,182,352	14,822,331.50	21,701,904	36,524,235.50	161,731,822	-574,625	161,157,196.63
Jun 1, 2016	4,067,755	8,790,356	12,858,110.75	23,853,358	36,711,468.75	133,810,709	-172,843	133,637,866.46
Jun 1, 2017	3,334,331	7,233,529	10,567,859.50	26,446,378	37,014,237.50	104,030,000	-	104,030,000.00
Jun 1, 2018	1,435,000	5,484,153	6,919,152.75	29,350,000	36,269,152.75	73,245,000	-	73,245,000.00
Jun 1, 2019	1,065,000	3,820,173	4,885,173.25	22,280,000	27,165,173.25	49,900,000	-	49,900,000.00
Jun 1, 2020	580,000	2,321,898	2,901,898.25	24,470,000	27,371,898.25	24,850,000	-	24,850,000.00
Dec 1, 2020	-	767,584	767,583.75	24,950,000	25,617,583.75	-	-	-
						66,155,605	249,067,021	315,222,626.00
						273,269,233	588,491,859.00	

**Note: The entire \$8.5 million debt service payment in FY 2001, and \$8.5 million of the FY 2002 debt service payment will be made from Capitalized Interest and will not result in lost earnings to the State's General Fund.

SB

233

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL No. 1
Bill Version: SB 233
(S) Publish Date: 2-1-00

Revision Date/Time (Note if correction): _____ Dept. Affected: Health and Social Services
Title: Medicaid lien recovery and filing period BRU: Medical Assistance
Component: Medicaid Services
Sponsor: Rules COMPONENT SERIAL NO. 2077
Requestor: Governor See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(2.7)	(10.7)	(10.7)	(10.7)	(10.7)	(10.7)
MISCELLANEOUS						
TOTAL OPERATING	(2.7)	(10.7)	(10.7)	(10.7)	(10.7)	(10.7)

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGES IN REVENUES ()						
-------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	(1.6)	(6.4)	(6.4)	(6.4)	(6.4)	(6.4)
1003 GF Match	(1.1)	(4.3)	(4.3)	(4.3)	(4.3)	(4.3)
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	(2.7)	(10.7)	(10.7)	(10.7)	(10.7)	(10.7)

Estimate of any current year (FY2000) cost: \$0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This legislation would make two changes to the Medicaid program; the net effect of those changes is shown above. First, the legislation would strengthen the Department of Health and Social Services' ability to recover money from third party payors when they are liable for the medical expenses that have been paid by the department for someone receiving medical assistance under Medicaid or the Chronic and Acute Medical Assistance (CAMA) program. This would result in the Department recovering more of these expenditures.

The legislation also extends the timely filing period for providers to submit claims to Medicaid and CAMA from six months to one year. This will increase expenditures as currently some claims are not paid solely because they are not filed within the six month time period. The following page shows the separate impacts. (Note: impacts to CAMA are not included as they are not considered material.)

Prepared by: Jon Sherwood Phone: 465-3355
Division: Medical Assistance Date/Time: 1/20/00 3:03 PM
Approved by Commissioner: Karen Perdue, Commissioner Date: 1/24/00
Agency: Department of Health & Social Services

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ANALYSIS (cont.):

Medicaid Lien and Recovery

Giving the Department lien authority and improving its subrogation rights will result in increased third-party settlement recoveries (those recoveries in which liens and subrogation are at issue) for the Medicaid program. Because regulations are necessary to implement some provisions and third party recoveries usually take place well after the Medicaid program has paid for the medical services, recoveries are not expected to increase immediately. The table below shows the projected increase in recoveries.

<u>Year</u>	<u>Increased Recovery (thousands)</u>
FY2001	\$52.7
FY2002	\$210.7
FY2003	\$210.7
FY2004	\$210.7
FY2005	\$210.7
FY2006	\$210.7

Assumption: Third party settlement recoveries will increase by one-third, beginning in the 4th quarter of FY2001.

Timely Filing Period Extension

Currently, some Medicaid providers fail to bill within the six month timely filing period. In some cases, these claims are not reimbursed. In other cases, where providers show good cause for late filing, they may get paid for 50 percent of the normal reimbursement for the claims.

Extending the timely filing period to 12 months and allowing full reimbursement for late claims with good cause will result in more valid claims being paid in full. The amount of late claims can vary widely from year to year, and in some years, more late claims are meet the good cause criteria for partial reimbursement. The table below represents an average estimated amount of increased claims payments as a result of the proposed change, assuming that implementing regulations become effective in the fourth quarter of FY2001.

<u>Year</u>	<u>Increased Payments (thousands)</u>
FY2001	\$50.0
FY2002	\$200.0
FY2003	\$200.0
FY2004	\$200.0
FY2005	\$200.0
FY2006	\$200.0

Assumption: New timely filing limits go into effect beginning the 4th quarter of FY2001.

<u>Net Impact</u>	<u>FY2001</u>	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>
Liens and Recovery (decrease)	(52.7)	(210.7)	(210.7)	(210.7)	(210.7)	(210.7)
Timely Filing (increase)	50.0	200.0	200.0	200.0	200.0	200.0
TOTAL	(2.7)	(10.7)	(10.7)	(10.7)	(10.7)	(10.7)

TONY KNOWLES
GOVERNOR
governor@alaska.gov

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

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January 31, 2000

SB 233

The Honorable Drue Pearce
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Pearce:

In the interest of recovering medical assistance payments due to the state, I am transmitting this bill that grants the Department of Health and Social Services an express right to a lien against any money recovered from a third party for assistance payments. The bill also strengthens the department's existing right of third party subrogation and extends the time period from six months to one year for medical providers to file claims with the department for medical services provided.

Under the bill, when a state medical assistance recipient recovers money from a third party who is found liable for the recipient's medical expenses, the department would have a lien against that recovery. The department's lien would be reduced by a pro rata share of the recipient's attorney fees and litigation costs incurred in the recovery. If the department incurs attorney fees and costs to enforce the lien, the amount of the lien would be increased to cover those fees and costs. The department's lien would take priority over a lien filed by a hospital, nurse, or physician.

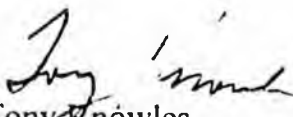
Under existing law, when a state medical assistance recipient has a claim against a third party for the recipient's medical expenses, the department has a right of subrogation. This law allows the department to stand in the place of the recipient to enforce the recipient's claim for medical assistance payments against an insurer or other third party. This bill adds a requirement that the recipient give the department notice if the recipient has an action or claim against a third party so that the department may enforce its subrogation rights. The bill also expressly grants the department the right to bring an

The Honorable Drue Pearce
January 31, 2000
Page 2

action to recover on a subrogated medical assistance claim regardless of whether the recipient acts or fails to act to enforce the claim.

I urge your support of this important legislation.

Sincerely,



Tony Knowles
Governor

SB

244

FISCAL NOTE

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

No. 1
 Bill Version: SB 244
 (S) Publish Date: 2-3-00

Revision Date/Time (Note if correction) _____ Dept. Affected Education & Early Dev.
 Title An Act increasing the eligible maximum BRU K-12 Support
amount for quality school grant funding for school districts Component Foundation Program
 Sponsor Rules
 Requester Rules Component No. 141

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 This legislation will increase the quality school grant funding under AS 14.17.480(a) from \$16 per adjusted ADM to \$52. The estimated increase of \$7,552,300 is included in the Department of Education & Early Development's FY2001 budget in the Foundation Program. School districts need to apply for quality school grant funding. Applications must demonstrate that the school district will use quality school grant funding to assist students in meeting Alaska's academic standards in reading, writing, and math.

Prepared by: Eddy Jeans, School Finance Manager Phone 465-8679
 Division Education Support Services Date/Time 1/6/00 4:35 PM
 Approved by Richard S. Cross, Commissioner Date 1/6/00
 Agency _____

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SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 2/3/00

FURTHER: Finance

Date of 5-Day Notice: 2/10/00
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 2/16/00

Health, Education and Social Services Committee considered

SENATE BILL NO. 244

"An Act increasing the eligible maximum amount for quality school grant funding for school districts; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

Senate Bill:

- same title
 - new title
- House Bill:
- same title
 - technical title
 - new: SCR# _____

SIGNING DQ PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
CHAIR: <i>[Signature]</i>	✓	CHAIR: _____			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

Department	Date	Zero	Fiscal
DHESS	1/16/00	✓	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

AMENDMENT

*adopted +
moved for HES
2/16/00*

OFFERED IN SENATE HES

TO: SB 254

Page 1, line 6:

Delete "of \$25"

Insert "established by regulation"

Page 1, line 8:

Following 'registrar.'

Insert:

"(b) The department shall adopt regulations that establish the amount of the fee for each design of an heirloom certificate of marriage. Notwithstanding AS 37.10.050(a), each fee shall be set at an amount that is more than the estimated actual costs to the department not to exceed the estimated fair market value of a comparable artistic rendition."

Page 1, line 11:

Delete "(b)"

Insert "(c)"

Page 1, line 14:

Delete "(c)"

Insert "(d)"

Page 2, line 1:

Delete "(d)"

Insert "(e)"

Page 2, line 5:

Correct section number.

SENATE COMMITTEE REPORT First Committee of Referral

DATE: 2/8/00

FURTHER: Finance

Date of 5-Day Notice: 2/10/00
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: _____

Health, Education and Social Services Committee considered

SENATE BILL NO. 254

"An Act relating to heirloom certificates of marriage."

and recommends:

- be replaced with _____ CS SB 254 (HES)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
 same title
 new title
House Bill:
 same title
 technical title
 new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Gary Johnson</i>	✓				
<i>Ken ...</i>	✓				
<i>Mike Miller</i>	✓				
CHAIR: Mike Miller	✓	CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
<i>HES</i>	<i>12/14/99</i>		✓

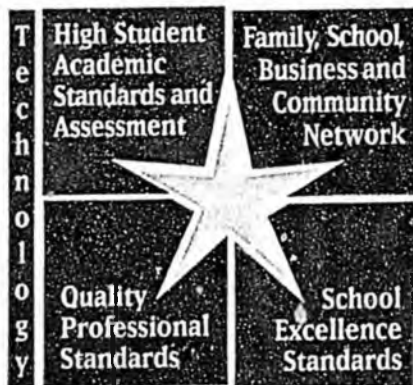
APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

✓

SB 244 / HB 336
Quality Schools Initiative
Grant Funding

ALASKA
**QUALITY
SCHOOLS**
INITIATIVE





Office of the Governor Press Releases



ALASKA IN THE NEWS

February 2, 2000

00034

KNOWLES BEEFS UP EFFORTS TO PREPARE STUDENTS FOR EXIT EXAM New Legislation Increases School Grant Funding from \$16 to \$52 Per Student

JUNEAU--During a visit to a sophomore global studies class at Juneau-Douglas High School today, Gov. Tony Knowles outlined proposed legislation that would help finance school district efforts to develop and maintain quality schools and make sure students are getting the academic tools they need to succeed.

The bill, sent to Legislature today, would increase the maximum eligible amount of grants to school districts. In 1998, the Legislature established quality school grants as a component of public school funding. The eligible amount was set at \$16 per adjusted average daily membership. This bill increases that amount to \$52.

The proposed increase, recommended by the State Board of Education and Early Development, is possible because school district enrollment projections are down for next year, saving the state about \$19.9 million. The cost of Knowles' proposal is \$7.6 million.

"If the Legislature approves this bill, these additional dollars will go for one important task - to help improve student performance," Knowles told students. "The money can be used at any grade level, but I expect school districts will put special emphasis on high school. With the Qualifying Exam coming up in March and the first scores due back next September, there is extra interest in helping you get the assistance you need to pass the test."

Knowles said the state has a responsibility to improve student performance and provide them a passport to a bright, successful future. By providing the additional support as a grant, Alaskans can be assured the money will go to support the implementation of the Quality Schools Initiative, including the high school graduation qualifying examination, instead of being absorbed in salaries, building maintenance, or administration.

"All Alaska families are concerned whether their children are meeting the new high state academic standards in reading, writing, and math," Knowles added. "Most school districts are taking extraordinary steps to prepare their students to meet these standards. The increased grant funding will allow a qualifying district to take creative measures to prepare its students, schools, and communities to work toward success on the examination."

##

Contact:

Bob King, Press Secretary, (907) 465-3995

Claire Richardson, Deputy Press Secretary, (907) 465-3996

WWW.GOV.STATE.AK.US

TONY KNOWLES
GOVERNOR
GOVERNOR OF THE STATE OF ALASKA

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

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JUNEAU, ALASKA 99801
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Ab 244

February 2, 2000

The Honorable Drue Pearce
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Pearce:

As part of the state's Quality Schools Initiative, we have a responsibility to improve student performance and provide them a passport to a bright, successful future. One way to accomplish this is to help finance school district efforts to develop and maintain quality schools and make sure students are getting the academic tools they need to succeed. To assist in this statewide effort, I am transmitting this bill to increase the maximum eligible amount of grants to school districts.

In 1998 the legislature established quality school grants as a component of public school funding. The eligible amount was set at \$16 per adjusted average daily membership. This bill increases that amount to \$52. This increase, recommended by the state Board of Education and Early Development, is possible because school district enrollment projections are down for next year, saving the state about \$19.9 million.

The Department of Education and Early Development is recommending that additional money be provided to school districts in the form of grants, rather than increasing the amount of the base student allocation. By providing the additional support as a grant, Alaskans can be assured the money will go to support the implementation of the quality schools initiative, including the high school graduation qualifying examination, instead of being absorbed in salaries, building maintenance, or administration.

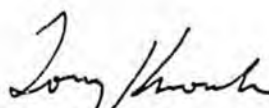
All Alaska families are concerned whether their children are meeting the new high state academic standards in reading, writing, and math. Most school districts are taking extraordinary steps to prepare their students to meet these standards. Yet some administrators wonder what impact the high school graduation qualifying examination

The Honorable Drue Pearce
February 2, 2000
Page 2

will have on their ability to deliver a quality program to their students. The increased grant funding will allow a qualifying district to take creative measures to prepare its students, schools, and communities to work toward success on the examination.

I urge your prompt and favorable action on this bill.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tony Knowles".

Tony Knowles
Governor

Alaska Department of Education & Early Development

Projected FY2001 Quality Schools Grants

Projected allocations based on increase from \$16 to \$52 per adjusted ADM & additional \$7,552,258 million

Prepared 12-6-99

School District	Current law at \$16 per Adj. ADM		Adjusted ADM \$36	Total \$52 Per Adjusted ADM
	Projected FY2001 Adjusted ADM	Projected Quality Schools Grant		
Alaska Gateway	1184.48	\$18,952	42,641	61,593
Aleutian Region	346.69	5,547	12,481	18,028
Aleutians East Borough	959.48	15,352	34,541	49,893
Anchorage	65782.81	1,052,525	2,368,181	3,420,706
Annette Island	628.3	10,053	22,619	32,672
Bering Strait	5465.17	87,443	196,746	284,189
Bristol Bay Borough	636.81	10,189	22,925	33,114
Chatham	628.36	10,054	22,621	32,675
Chugach	309.1	4,946	11,128	16,074
Copper River	1431.31	22,901	51,527	74,428
Cordova	850	13,600	30,600	44,200
Craig	730.12	11,682	26,284	37,966
Delta/Gravel	1635.57	26,169	58,881	85,050
Denali Borough	795.01	12,720	28,620	41,340
Dillingham	1153.84	18,461	41,538	59,999
Fairbanks North Star Borough	22318.76	357,100	803,475	1,160,575
Galena	3369.81	53,917	121,313	175,230
Haines Borough	719.24	11,508	25,893	37,401
Hoonah	488.8	7,821	17,597	25,418
Hvdaburg	243.43	3,895	8,763	12,658
Iditarod Area	1366.96	21,871	49,211	71,082
Juneau Borough	7784.48	124,552	280,241	404,793
Kake	332.52	5,320	11,971	17,291
Kashunamiut	736.56	11,785	26,516	38,301
Kenai Peninsula Borough	14957.83	239,325	538,482	777,807
Ketchikan Gateway Borough	3625.32	58,005	130,512	188,517
Klawock	400.89	6,414	14,432	20,846
Kodiak Island Borough	4581.81	73,309	164,945	238,254
Kuspuk	1503.7	24,059	54,133	78,192
Lake & Peninsula Borough	1759.6	28,154	63,346	91,500
Lower Kuskokwim	10110.84	161,773	363,990	525,763
Lower Yukon	5217.2	83,475	187,819	271,294
Mat-Su Borough	17540.82	280,653	631,470	912,123
Nenana	899.72	14,396	32,390	46,786
Nome	1443.07	23,089	51,951	75,040
North Slope Borough	4993.86	79,902	179,779	259,681
Northwest Arctic Borough	5759.58	92,153	207,345	299,496
Pelican	95.6	1,530	3,442	4,972
Petersburg	1055.1	16,882	37,984	54,866
Pribilof	487.95	7,807	17,566	25,373
Saint Mary's	396.7	6,347	14,281	20,628
Sitka Borough	2468.01	39,488	88,848	128,336
Skaqwav	305.6	4,890	11,002	15,892
Southeast Island	738.13	11,810	26,573	38,383
Southwest Region	2223.7	35,579	80,053	115,632
Tanana	250.3	4,005	9,011	13,016
Unalaska	740.44	11,847	26,656	38,503
Valdez	1445.77	23,132	52,048	75,180
Wrangell	773.89	12,382	27,860	40,242
Yakutat	309.56	4,953	11,144	16,097
Yukon Flats	1292.86	20,686	46,543	67,229
Yukon/Kovukuk	1644.8	26,317	59,213	85,530
Yupik	1189.01	19,024	42,804	61,828
Alaska Central School *	1192.352	19,078	42,925	62,003
Mt. Edgcomb High School	483.28	7,732	17,398	25,130
TOTALS:	209,784.90	\$3,356,559	\$7,552,258	\$10,908,817

SB

254

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

No. 1
Bill Version: SB 254
(S) Publish Date: 2-8-00

Revision Date/Time (Note if correction) _____ Dept. Affected Health & Social Services
Title Heirloom Marriage Certificates BRU State Health Services
Component Bureau of Vital Statistics
Sponsor Rules Committee at the Request
Requester Governor Component No. 961

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	37.4	37.4	37.4	37.4	37.4	37.4
Travel						
Contractual	12.5					
Supplies	10.3	10.3	10.3	10.3	10.3	10.3
Equipment	8.0					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	68.2	47.7	47.7	47.7	47.7	47.7

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES (1005)	269.9	269.9	269.9	269.9	269.9	269.9
---------------------------	-------	-------	-------	-------	-------	-------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	68.2	47.7	47.7	47.7	47.7	47.7
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	60.2	47.7	47.7	47.7	47.7	47.7

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time	1	1	1	1	1	1
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The Bureau of Vital Statistics registers over 5,000 marriages per year and has over 200,000 marriages on file. Of the marriages on file fewer than 50% are in the bureau's automated database. To implement the heirloom marriage certificate the bureau must undertake the following activities:

1. Design and print the heirloom stock and all advertising media
2. Develop computer program to print certificates
3. Develop computer program to allow keying of pre-1977 marriages into automated database
4. Key back marriages as requested
5. Process and mail requested certificates

Prepared by: Peter M. Nakamura, MD, MPH
Division: Public Health
Approved by: Karen Perdue, Commissioner
Agency: Health & Social Services

Phone: 465-3090
Date/Time: _____
Date: 12/6/99

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

ANALYSIS (cont.):

Costs:

One Time costs:

Design and print certificate stock and ad media NO COST -- collaboration for donation through Children's Trust.

Develop computer program to print certificates	5,000
Develop pre-1977 marriage keying program	7,500
furniture and miscellaneous for new position	5,000
computer for new position	3,000

On going costs for processing, keying and mailing of requests:

1 new position, range 10	37,400
postage & mailers (see calculation below)	10,300

Total First Year Cost	68,200
-----------------------	--------

Supply and Revenue cost calculations are based on the following calculation:

Expect 70% of current year marriages (5,300) and an average of 4000 from prior year marriages to request the heirloom certificates or $(.7)(5300) + 4000 = 7,710$ requests per year. (the heirloom certificate will not and cannot replace the legal certificate that is issued)

Supply costs

Postage (@ 0.33 each)	2,600
Mailers (@ 1.00 each)	7,700
	10,300

Revenue calculation:

Certificate Cost (@ 10.00)	77,100
Children's Trust Fund (@ 25.00)	192,800

Total Revenue	269,900
---------------	---------

Therefore, all program costs will be covered by the increased collection of program receipts

STATE OF ALASKA

Birth Certificate



SAMPLE

I certify that this is a true, full and correct copy of the original certificate on file in the Bureau of Vital Statistics, Department of Health & Social Services.

Registrar

Date

Governor of Alaska

moved & passed

AMENDMENT

OFFERED IN SENATE HES

TO: SB 254

Page 1, line 6:

Delete "of \$25"

Insert "established by regulation"

Page 1, line 8:

Following 'registrar.'

Insert:

"(b) The department shall adopt regulations that establish the amount of the fee for each design of an heirloom certificate of marriage. Notwithstanding AS 37.10.050(a), each fee shall be set at an amount that is more than the estimated actual costs to the department not to exceed the estimated fair market value of a comparable artistic rendition."

Page 1, line 11:

Delete "(b)"

Insert "(c)"

Page 1, line 14:

Delete "(c)"

Insert "(d)"

Page 2, line 1:

Delete "(d)"

Insert "(e)"

Page 2, line 5:

Correct section number.

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Page 2, line 5:

Correct section number.



*Working in partnership
with communities to
prevent child abuse
and neglect*

SB 254 "An ACT relating to heirloom certificate of marriage."

- ◆ SB 254 creates an heirloom marriage certificate bill with proceeds to go to the Alaska Children's Trust.
- ◆ The heirloom marriage certificate bill is expected to raise close to \$200,000 a year for the Alaska Children's Trust.
- ◆ The Alaska Children's Trust was created by the legislature in 1988 but was not activated until 1996. Governor Knowles appointed a seven-member board and worked with the Legislature to kick-start the fund with a \$6 million dollar deposit. The trust balance is currently over \$9 million thanks to donations and income reinvestment.
- ◆ Since FY 98, the Trust has awarded over \$860,000 to 30 community-based programs statewide with the overall goal of reducing child abuse and neglect.
- ◆ In 1989 a bill creating an Heirloom Birth Certificate was signed into law. The proceeds from the sales of these certificates support the Alaska Children's Trust.
- ◆ 10 years later on June 24, 1998 the ACT in conjunction with the Division of Vital Statistics sold our first Heirloom Birth Certificate. Since that time, over 2000 heirloom birth certificates have been sold, raising \$49,500 for the ACT.
- ◆ Alaskan artist Rie Munoz and graphic artist Sue Kraft donated their talents to create the birth certificate.
- ◆ The heirloom marriage certificate will be modeled after the birth certificate. An average of 5,300 couples get married in Alaska every year.
- ◆ It is anticipated that sales/revenues of these marriage certificates will be stronger than the birth certificates. It is estimated that 70 percent of newlyweds will want a keepsake marriage certificate. That, coupled with an expected 4,000 or sales from prior-year marriages, would bring in about \$193,000 annually for the trust.
- ◆ All program costs will be covered by the increased collection of program receipts.

STATE OF ALASKA

Birth Certificate

Child John Q. Alaskan, Jr

Sex: Male
Date of Birth: 09-99-99
Place of Birth: Juneau

Mother First Name: Jane
Middle Name: M
Maiden Name: Doe

Father First Name: John
Middle Name: Q
Last Name: Alaskan



I certify that this is a true, full and correct copy of the original certificate on file in the Bureau of Vital Statistics, Department of Health & Social Services.

Registrar

Alfred Szonqi

Dated

AUG 05 1998

Governor of Alaska

Long Kowalski

ISSUED BY THE ALASKA BUREAU OF VITAL STATISTICS

Heirloom Birth Certificate



Celebrate the birth of a child with an Heirloom Birth Certificate featuring the artwork of Alaska artist Rie Muñoz. Suitable for framing, the certificate is a beautiful and permanent record now available to anyone born in Alaska.

In Embrace, by Rie Muñoz, poignantly depicts a parent's love. Each 9-by-12 inch certificate also includes the child's name, date and place of birth, and the name(s) of the parent(s).

A collaborative effort between the Alaska Children's Trust and the Alaska Bureau of Vital Statistics, the Heirloom Birth Certificate contributes to the well-being of all Alaska children. Proceeds from sales of the \$35 certificates go to the Trust, which provides grants to Alaska communities for prevention of child abuse and neglect.

Available for purchase by parents, family or friends, an Heirloom Birth Certificate makes a unique baby gift.

Birth certificates aren't just for newborns. Commemorate birthdays, anniversaries, retirements and other special occasions with the purchase of an Heirloom Birth Certificate.

Thanks for the generous support of Fairbanks Memorial Hospital, Providence Hospital, Bartlett Regional Hospital, Charter North Hospital and the Alaska State Hospital and Nursing Home Association.

To order the Heirloom Birth Certificate



To order your own or your child's birth certificate fill out the information form below. For additional birth certificate orders, you may photocopy this brochure.

Friends or relatives can purchase a gift certificate to be redeemed by the individual or immediate family member. Provide as much information as you can.

Gift Certificate

Name of Child

Date of Birth

Place of Birth

Mother's Maiden Name

Father's Name

Signature

(Individual named on certificate, legal guardian, or parent)

Purchaser's Name

Address

City, State, Zip

Daytime Phone

Relationship to Child *(BIRTH, FOSTER, ADOPTED)*

(ie. friend, relative, legal guardian, parent)

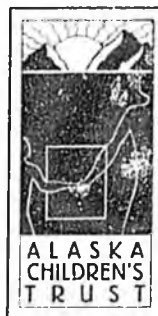
Send the completed form with your check for \$35.00 (payable to Bureau of Vital Statistics) to:

Bureau of Vital Statistics
Heirloom Birth Certificate Program
Alaska Department of Health/Social Services
P.O. Box 110675, Juneau, Alaska 99811-0675

For more information, call the Bureau of Vital Statistics at (907)465-5592.



Alaska Children's Trust 1998 Annual Report



President's Letter	2
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Working in partnership with communities to prevent child abuse and neglect

ACT Board President's Letter

Moving into it's third year, the ACT is gaining momentum as it forges new partnerships between business and private individuals on behalf of children. The opportunity to invest in family exists now as never before. Thanks to the combined efforts of the ACT and the FACT, two highly successful fund-raising efforts added substantially to the corpus of the fund, exemplifying the generosity of corporate Alaska in support of child abuse prevention efforts. The first annual "Mush for Kids" in Fairbanks turned into a Musher's Olympics because the early April spring weather cancelled any hopes of mushing competition! Members of PRIDE, the professional musher's organization, exemplified by their presence and actions that children deserve our support.

In August, Alyeska Pipeline Service Co. sponsored the first annual ACT Golf Tournament in Anchorage. It was a magnificent day and an impressive turn-out on the links, once again raising both awareness and funds in support of prevention efforts on behalf of Alaska's children.

Our continuing partnership with the Alaska Legislature was evidenced by the passage of legislation authorizing the Alaska Children's Trust License Plate. Alaska's school children have submitted 250 possible designs for our consideration. We anticipate that the ACT plate will be available this fall.

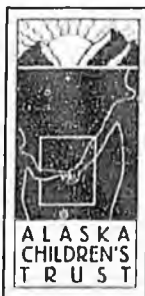
The ACT Board is also excited to promote the sale of an Heirloom Birth Certificate featuring the artwork of celebrated Alaska artist Ric Muñoz. Over 500 certificates were sold in the first six months, yielding \$25 apiece to the ACT. These are two wonderful opportunities for Alaskans to support prevention efforts statewide.

In addition to seeking ways to increase the corpus of the ACT fund, the board is challenged to spend the annual earned interest on community-based programs that prevent child abuse and neglect. This year we received 51 innovative and challenging applications. A total of \$285,700 was awarded to 15 programs from Kotzebue to Bethel to Wrangell. Three of the awards were ongoing funding of a 1997 proposal to allow for program continuation.

Shari Paul continues to efficiently and energetically staff our Juneau office. Through her efforts, an ACT website was created this year to make prevention information available through technology: www.state.ak.us.

As we head into the closing year of the 20th century, we are more convinced than ever that prevention efforts today will ensure a healthier community of children and adults in the new millennium. We know what works. We know the costs. We know the tremendous energy it takes to help one family take one step forward. Join us in celebrating what we all are doing to ensure that not one more Alaska child has to experience abuse or neglect.

Carol H. Brice



Alaska Children's Trust Board of Trustees

Carol H. Brice, (Chair) Fairbanks, Owner/Trainer Family Training Associates
Robert Malone, Anchorage, President and CEO/COO Alyeska Pipeline Service Co.
Judy Salo, Kenai, former Alaska State Senator
Morris Thompson, Fairbanks, President and CEO, Doyon Limited
Bruce M. Botelho, Attorney General, Department of Law
Shirley Holloway, Commissioner, Department of Education
Karen Perdue, Commissioner, Department of Health and Social Services

Working in partnership with communities to prevent child abuse and neglect

Overview of the Alaska Children's Trust (ACT)

The Alaska Children's Trust (ACT) was created by the Legislature in 1988 (AS 37.14.200 - 37.14.270). In 1996, Governor Tony Knowles activated the Trust by appointing the board of trustees and securing a \$6 million appropriation as seed money for the Trust. The Trust is designed to promote and financially support community initiatives to strengthen families and prevent child abuse and neglect. The Trust balance is now close to \$9 million thanks to private donations and income reinvestment.

OVERVIEW

History of Children's Trust

The concept of a children's trust originated in the 1970s and was developed by the late Ray E. Heller, MD, a nationally recognized pediatrician in the field of child abuse and its prevention. Dr. Heller asked, "If trust funds were in place to care for our nation's highways — why not have a trust fund to care for our nation's children?" His concept was the catalyst for the nationwide network of community-based programs that have been initiated by state children's trust and prevention funds.

HISTORY

All fifty states, the District of Columbia, and Puerto Rico have passed legislation to establish a trust for the prevention of child abuse and neglect. Alaska was the twenty-fifth state to create a Children's Trust Fund in 1988, though funding was not appropriated until 1996.

The National Alliance of Children's Trust and Prevention Funds was established in 1989 as a 501(c)(3) not-for-profit, and is the means for state trust funds to network resources and to provide leadership and technical assistance to all states. For more information on the National Alliance of Children's Trust, visit their Web Site at: <http://www.calib.com/nccanch/>

Alaska Children's Trust Goals

To accomplish the ACT's mission, the Trustees have established three goals:

- decrease tolerance for child abuse and neglect by promoting an awareness of the current plight of many of our children;
- support the development of safe and nurturing community environments by promoting responsible parenting and care giving; and
- increase the grant-giving ability of the ACT by:
 - Fundraising to increase the corpus of the fund
 - Pursuing other funding opportunities.

The goals are to be achieved through:

- funding community-based family support and child abuse and neglect prevention programs;
- educating the public about child abuse and neglect through media campaigns;
- coordinating resources and sharing information; and
- encouraging collaboration and developing partnerships with public and private organizations.

Mission Statement

Alaska's children deserve to grow up in a safe and nurturing environment. The mission of the Alaska Children's Trust is to generate funds for and commit resources to community-based programs that strengthen families and prevent child abuse and neglect.

GOALS



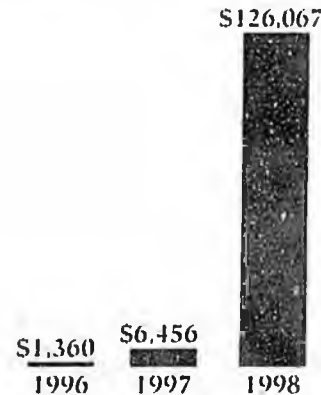
How the Trust Works

STRUCTURE

- The Alaska Children's Trust is a savings account for children.
- The Trust's funds grow through gifts, bequests, and contributions of cash or other assets from individuals, corporate entities, legislative appropriations, and federal funds.
- The income from the Trust is distributed through a grant application and review process.
- The treasurer of the Trust is the Commissioner of Revenue. The Commissioner is the official custodian of the fund and the investments. The ACT is established in the Office of the Governor.
- A seven-member board of trustees administers the ACT. The Trustees are appointed by the Governor. They include the Commissioner of Health and Social Services, the Commissioner of Education, the Governor or designee, and four public members.
- The Trustees set goals, award and monitor grants, and raise funds.
- The Trust partners with a broad range of people (parents, private business, state agencies, community groups, concerned individuals) to help support Alaska families and prevent child abuse and neglect.

FUNDRAISING

The Alaska Children's Trust Annual Contributions and Fund Raising



FINANCIALS

Alaska Children's Trust Financial Statements

Statement of Invested Assets

June 30, 1998

	(in 000s)
Cash and equivalents	\$ 250
Marketable debt securities	3,229
Equity securities	4,761
Interest and dividends receivable	17
Total investments	\$ 8,257

The June 30, 1998, audited financial statements are available from the Department of Revenue, Treasury Division, by calling 465-2350.

Statement of Investment Income and Changes in Invested Assets

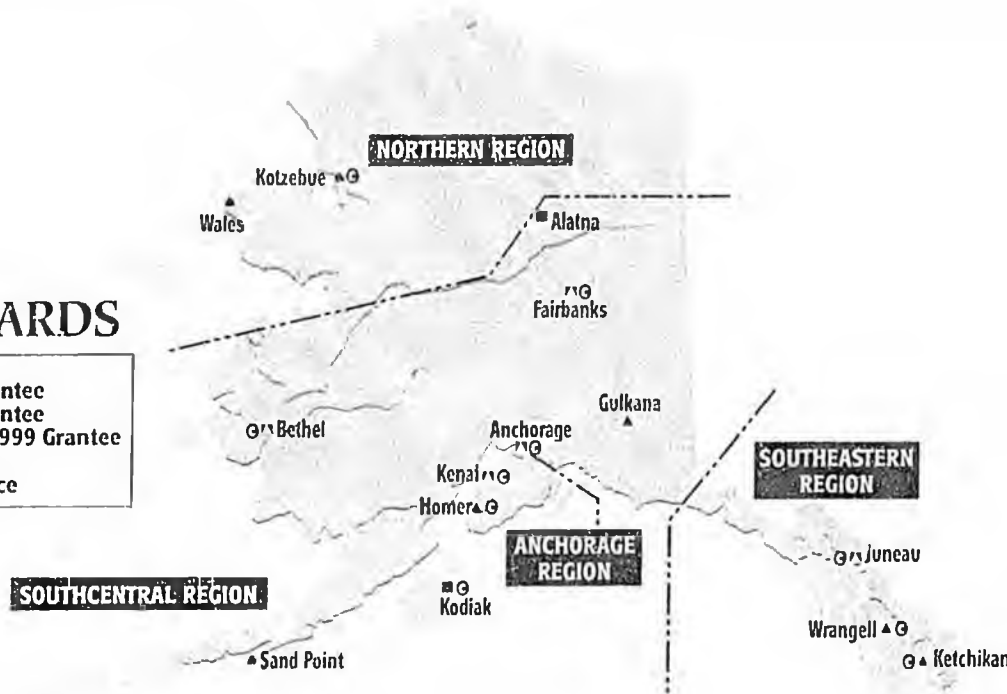
June 30, 1998

	(in 000s)
Principal Assets	\$ 1,538
Income distributed to Income Assets	(217)
	<u>1,291</u>
Income Assets	14
Income distributed from Principal Assets	247
	<u>261</u>
Total investment income	1,552
Total invested assets, beginning of year	6,929
Net contributions (withdrawals)	<u>(224)</u>
Total invested assets, end of year	\$ 8,257

The Children's Trust at Work
Reaching Children Across the State

GRANT AWARDS

- Fiscal Year 1998 Grantee
- ▲ Fiscal Year 1999 Grantee
- ▲ Fiscal Year 1998 & 1999 Grantee
- ⊙ Family Services Office



FY 1998 GRANT AWARDS

MALE GUIDANCE PROJECT OF ALATNA
 Alatna Tribal Council • Grant Award: \$6,572

The project encompasses eleven activities normally accomplished by male members of the Athabaskan and Inupiaq society that are centered around the yearly subsistence cycle. These activities will demonstrate a productive male's role as it occurs in the family and community, the relationship between the seasons, the need for preparedness from one season to the other, and how the activities and actions during some seasons affect one's success throughout the year. All of the activities will take place in and around the villages of Alatna and Allakaket, and will utilize the male population of Alatna, including the Chief and Second Chief, as the activity instructors.

PASSAGE HOUSE, PROJECT NURTURE
 Covenant House Alaska • Grant Award: \$28,000

Passage House is a residential facility for single pregnant and parenting mothers, age 16 to 20. Since 1993, its 31 graduates have consistently demonstrated the long-term benefits of this environment, which at one time nurtured and structured their lives for up to 18 months. In comparison to teenage mothers tending for themselves, Passage House graduates demonstrate decreased rates of second pregnancy, domestic violence and child abuse, and increased rates of employment and independence from public assistance. Passage House seeks to extend its services by adding an aftercare component, Project Nurture, that will maintain contact with graduates at 1-month, 3-month, 6-month, and 12-month intervals following discharge and as needed. Staff will make home visits to graduates, and the graduates will themselves become mentors for current residents. Goals for improvement include: a) 100 percent employment with at least 50 percent employed at the vocational level one year after discharge; b) 0 percent unplanned second pregnancies; and c) 0 percent child abuse and neglect as documented through the Division of Family and Youth Services.

"I am building a healthy relationship—soon to be married. I focus on goals and don't give up on myself."
 —Passage House graduate

CALL-IN SHOW
 Bethel Community Services, Children's Mental Health Department • Grant Award: \$22,311

The Bethel Community Services Children's Mental Health Department proposes to do a weekly morning informational call-in show on parenting issues and weekly evening call-in show for children and young adults. The shows will be broadcast through KYUK-AM radio, which serves Bethel and 52 villages in the Yukon Kuskokwim Delta. The morning call-in show will feature agencies and individuals in the region that work with families, parents, and children. The show will address parenting issues and provide general information about children in Alaska. The evening call-in show will be for younger listeners and will address adolescent issues. Community Services and KYUK will pay some of the expenses.

The Children's Trust at Work

Reaching Children Across the State

"What the team members gained in hosting a meeting and working together for a common cause was worth any and all efforts made during the program."

—Taking Action:
A Village Response

TAKING ACTION: A VILLAGE RESPONSE

Kodiak Area Native Association • Grant Award: \$11,598

The villages of Larsen Bay, Ouzinkie, and Akhiok will receive intensive outreach, educational, and informational programs, as well as participate in developing a localized media campaign using culturally relevant materials and local residents as presenters. The services will be provided by the Kodiak Area Native Association's Social Services Department in conjunction with Project: Making Medicine, an Indian Service Training program for the treatment of child physical and sexual abuse. Community teams will be created in each of the villages. Teams will focus on promoting cultural traditions and healing practices.

MULDOON COMMUNITY WORKS

Muldoon Community Development Corporation • Grant Award: \$30,000

Muldoon Community Development Corporation (MCDC) is establishing a community center that will help decrease the incidence of child abuse by: 1) training and employing welfare recipients who are eligible for welfare-to-work programs; 2) creating a safe, supportive social environment for families with children; and 3) bringing related services vital to these families' well-being directly to the community center. The center is located in the Muldoon Mall and includes a laundromat, computer learning center with tutors and Internet access for children and adults, crafts, reading, homework center, office, and meeting space. The MCDC is also working with other programs to locate at the community center.

POSITIVE FUTURES: A NEIGHBORHOOD MENTORING PROGRAM

Big Brothers Big Sisters of Anchorage, Inc. • Grant Award: \$35,382

The purpose of this program is to prevent child abuse and neglect by empowering the at-risk youth of this target community with education, relationship skills, improved self-image, and a stronger sense of social belonging. The Positive Futures program will mobilize and engage adult volunteers to serve as mentors to at-risk children of similar ethnic and cultural backgrounds, and preferably from the same neighborhood. Recruitment will focus particularly on the need for African American adult male volunteer role models. A professional caseworker will work full time to assess, screen, match, and support all volunteers and the children with whom they are matched. There are currently 48 children from the Mountain View neighborhood waiting and hoping to be matched with a Big Brother or Big Sister. This grant award will double the number of volunteers in the program.

PARENTING AWARENESS RADIO MESSAGES

Alaska Public Radio Network (APRN) • Grant Award: \$49,065

APRN proposes to produce and distribute a 12-month series of daily messages to parents, children, and extended family on the importance of meeting children's basic developmental needs. APRN's daily series, called Parenting Awareness, will reach 80,000 listeners in 330 communities statewide. The series will provide parenting tips and childhood development information based on source materials and guidance from the University of Alaska's child development experts. The messages will be voiced by Alaska's Native celebrity, Heartbeat Alaska's Jennie Greene.

VIOLENCE PREVENTION

Boys and Girls Club of the Kenai Peninsula • Grant Award: \$22,500

The Boys and Girls Club of the Kenai Peninsula, in conjunction with community professionals, will provide violence prevention programming for youths, coaches, and parents who belong to the club. They expect to directly serve 120 youths and their parents. By training volunteer coaches in implementing the project, they will indirectly serve 1,480 youths in the Central Peninsula area who participate in their athletic leagues.

PARENT OUTREACH PROJECT

Resource Center for Parents and Children (RCPC) • Grant Award: \$25,071

The Parent Outreach Project is designed to positively influence families, raise community awareness, and change attitudes about child abuse and neglect. The project will create grass root community parenting information and support groups in several neighborhoods and villages in the Northern Region. The groups will be facilitated by a Parent Outreach Specialist who lives in the area and who has been trained by RCPC to provide parenting education, information, and support to parents in his or her area. The project will also distribute information and materials about parenting and prevention received by the National Committee to Prevent Child Abuse.

FAMILY LITERACY GOES TO WORK

Literacy Council of Alaska • Grant Award: \$17,727

The Family Literacy Goes to Work project aims to prevent child abuse and neglect by meeting the educational and parenting needs of families who are financially disadvantaged. Services provided include parenting instruction, job readiness and shadowing for adults, child care and learning activities for children, and fun activities for families. Two separate four-week intensive sessions will occur Monday through Thursday for three hours. Ten to twelve parents and their children will be enrolled in each session.

"We have made dramatic changes in our discipline policy at the after school program and are seeing an 80% decrease in the incidence of violence!"

—Violence Prevention

MENTORING PROGRAM

Big Brothers Big Sisters of Juneau, Inc. • Grant Award: \$15,736

Big Brothers Big Sisters of Juneau will enhance its preventive and support service in Juneau to youths from single-parent families and from families that have experienced substantial upheaval due to divorce, death, mental illness, and other reasons. The project will maintain "50 matches" between at-risk youth and Big Brother or Big Sister volunteers.

SUPPORTED PARENTING PROJECT

Fairbanks Resource Agency • Grant Award: \$20,304

The Supported Parenting Project will serve families (including foster, adoptive, and extended families) with parents who experience developmental disabilities, learning disabilities, and/or who are in the midst of family crisis. It will help them develop healthy parenting skills and prevent child abuse or neglect. Educational sessions, supervised by two trained facilitators, will be offered from September 1997 to June 1998. These sessions will provide skills training in a hands-on environment with modeling, activities, discussion, brainstorming, role playing, and parent-child activities. Additionally, a trained family support specialist will provide in-home training, clarification, follow-up, and support to ensure that newly acquired parenting skills will be successfully incorporated into the family's daily life.

SUMMARY OF FY 1999 GRANT AWARDS

SECOND YEAR FUNDING

MEDIA OUTREACH FOR PARENT EDUCATION

Big Dipper Community Circle-Kotzebue • Grant Award: \$9,650

This project will provide parenting education to rural Alaskans by radio and printed materials. The presentation will be harmonious with predominant Inupiat Eskimo culture of the region and toll-free telephone lines will encourage and enable interaction between listeners and presenters. This project will serve the Northwest Arctic Borough and Point Hope. KOTZ is the primary source of news and information for this area. The staff and volunteers will plan, conduct radio shows, respond to requests from the public and agencies, and coordinate collection and dissemination of information through newsletters and newspapers. The anticipated achievements are: a) increased awareness of factors contributing to child abuse and neglect throughout the region; b) increased and more appropriate use of existing services; c) improved parenting skills; d) increased interest in positive parenting in developing parenting skills as evidenced by larger numbers of call-ins; e) increased family-centered activities and parental involvement with school and other institutions affecting children.

BOYS AND GIRLS CLUB PREVENTION PROJECT

Central Kenai Peninsula and Seldovia • Grant Award: \$20,038

The Boys and Girls Club, in conjunction with community professionals, will continue to provide violence prevention programming for youths, coaches and parents involved in the Central Peninsula and Seldovia programs. The Club will serve youths who are currently members, as well as at-risk youth who will be referred to them by the alternative high school. By training staff and 150 volunteer coaches in violence prevention skills, they will also serve 1,480 youth in the Central Peninsula area who participate in athletic leagues. The goal of this project is to continue to curb youth and family violence and promote awareness of causes of violent behavior.

"PROJECT NURTURE"

Organization: Covenant House Alaska-Anchorage • Grant Award: \$21,000

Passage House is a residential facility for single pregnant and parenting mothers ages 16 to 20. Since 1993, its 38 graduates have consistently demonstrated the long-term benefits of this environment. In comparison to teenage mothers fending for themselves, Passage House graduates demonstrate decreased rates of second pregnancy, domestic violence and child abuse rates, and increased rates of employment and independence from public assistance. The continuation of this grant, "Project Nurture" will maintain contact with graduates at 1-month, 3-month, 6-month, and 12-month intervals following discharge and as needed. Staff will make home visits to graduates. Graduates have become mentors for current residents. Anticipated achievements include: a) 100% employment, with at least 50% employed at the vocational level two years after discharge; b) 0% unplanned second pregnancies; c) 0% child abuse and neglect, as documented through DYS.

COMMUNITY PARENTING PROJECT

Eastern Aleutian Tribes, Inc. • Grant Award: \$20,556

The overall goal of this proposal is to provide parenting classes and a support network to the parents of the Eastern Aleutian region. The primary target will be parents of children under the age of three. These services will supplement the current crisis intervention and referral components of medical and behavioral health care and will include the addition of parenting classes, support groups, and home visits. The anticipated achievements are to decrease the number of nonemergency after-hour calls to clinics, decrease child accident emergencies, promote healthy infants and children, and increase community-based parenting support and resources.

"Before my children and myself only communicated by yelling, but now we are talking to each other learning, about each other. I'm forever grateful to have the opportunity of participating in a great planned program."

*—Rose Sweet
Supported Parenting
Project*

The Children's Trust at Work

Reaching Children Across the State

SUPPORTED PARENTING

Organization: Fairbanks Resource Agency-Fairbanks • **Grant Award:** \$22,674

Supported Parenting is a parent education program designed for parents with developmental and learning disabilities, and for family crisis/dysfunction. Home-based services are provided for support and parenting intervention to keep children safe and healthy. This program provides an unduplicated service to the area by helping parents gain the self-esteem and communication skills necessary for optimum parenting skills.

SUMMER FAMILY EDUCATION PROJECT

Organization: Gulkana Village Council-Gulkana • **Grant Award:** \$9,000

The Summer Family Education Project will stress academics for the children and provide family counseling to curb neglect and abuse. The program will have a classroom segment for academic instruction and a field setting for traditional cultural experiences. Additionally, the Village elders will team up with children to teach traditional stories, dances, and songs. A home assessment of family needs will be completed. The anticipated achievements are a) children will have a positive academic experience, building on successes and ensuring a head start for the next school year; 2) children will have the opportunity to spend time with the Village Traditional Chief and the elders who are all positive role models for the children; 3) children will spend quality time with their own fathers, increasing opportunities for positive father-child communication.

INFANT LEARNING/PARENTS AS TEACHERS

Organization: Homer Children's Services-Homer • **Grant Award:** \$23,239

The Infant Learning Program/Parents as Teachers (ILP/PAT) is an early childhood family education and support program providing information and support to families of children birth to three years with developmental delays. Home-based services will be extended to all families regardless of delay, primarily in the home but with a center-based playgroup. The anticipated outcomes include a higher level of parenting and nurturing skills among all family members, a better understanding of their children's development and better use of community resources.

"ISSUES AND ANSWERS FOR PARENTS" AND "TEEN TALK"

KYUK/ARCS-Bethel • Grant Award: \$15,450

This grant will allow for the continuation of a weekly morning informational call-in radio show, "Issues and Answers for Parents," and a weekly evening call-in show for children and young adults, "Teen Talk." "Issues and Answers for Parents" features invited guests from agencies and individuals who work with families, parents, or children. The show addresses parenting issues and provides general information about children in Alaska. "Teen Talk" is produced by young volunteers and addresses adolescent issues.

DZUUGGE'GHAK'AE PROGRAM (FAVORITE CHILDREN'S PLACE)

The Native Village of Eklutna- Anchorage • Grant Award: \$37,792

The Dzuugge' Ghak'ae Program is a mentoring program. This program will work with Native single parents between the ages of 16 to 30 who are at risk for encountering problems that may lead to an unhealthy home environment for their young children. The program will promote families helping other families. Traditional parenting skills will be learned. Monthly activities will be planned with the intent of helping to network with each other, to participate in healthy activities, seek out assistance from community resources, and share with childcare responsibilities. The anticipated outcome is a safe stimulating environment for young families while helping to create a supportive family network.

KINGIKMIUT DANCE PROJECT

Native Village of Wales-Wales • Grant Award: \$13,740

Wales residents will teach traditional songs and dances to community youths. Elders will also teach traditional hunting skills to youths and interested residents, teaching responsibility, self-discipline, and respect. The Program Director will disseminate information and facilitate community discussions on child abuse and neglect. The Native Village of Wales recognizes that the majority of their youths are motivated to be successful for themselves, their families, and their community.

FRESH START

Northeast Community Center - Anchorage/Muldoon • Grant Award: \$15,000

The "Fresh Start" program will provide life skills training, social skills training, and vocational assistance to at-risk youth and single parents. The Center will also offer parenting classes for families and host a series of community meetings on the issues of child abuse and neglect. The services for the children will be provided on a daily basis in real-life environments, while the services for the parents will be provided on a weekly basis in a classroom setting. The program will enable children who have been "cut off" from their peers due to inappropriate behaviors to be reunited with them. The program anticipates serving over 100 parents and 500 children during the year. Finally, quarterly community meetings on the issues of child abuse and neglect will raise the level of awareness and concern in families.

PARENT OUTREACH PROJECT YEAR TWO

**The Resource Center for Parents
and Children-Fairbanks • Grant
Award: \$25,071**

The second year of this project will continue to provide information and training for Parent Outreach workers in neighborhoods and villages in the Northern region. The goal of this project is to positively influence families, raise community awareness, and change attitudes about child abuse and neglect and its prevention. Participants will be linked to this project through direct contact with various tribal governments and agencies working with families. By June 30, 1999, over 700 families will receive parenting information by mail, hand delivery, and by community posters. RCPC will maintain phone contact with the Parent Outreach workers for support and additional information. In addition, this project will develop support for a quality early childhood respite program. This respite program will also provide parenting training and will facilitate parent support groups.



PERSONAL SAFETY SPECIALIST

Tundra Women's Coalition-Bethel • Grant Award: \$22,938

The Tundra Women's Coalition will receive funding for the position of Personal Safety Specialist to focus on sexual abuse prevention education in several Bethel schools (K-6th grade). The curricula to be used is the Committee for Children's Personal Safety programs titled "Talking About Touching." A comprehensive plan for utilizing this Specialist includes: 1) in-service workshops for all preschool and elementary school staff on child abuse and neglect; 2) parent education evenings; 3) ongoing instruction to children, the "Talking About Touching" programs; 4) a community awareness media campaign including written articles, public service announcements, and radio interviews.

THE STRENGTHENING OF GRANDFAMILIES PROJECT

Volunteers of America, Alaska-Anchorage • Grant Award: \$9,472

The Strengthening of Grandfamilies Project will provide services to families parented by grandparents. These services include respite care through summer prevention camp for 12 young children, ages 7-11, who are being raised by their grandparent(s); a winter family camp for grandparented families (40 people); materials for the No Empty Nest (NEN) support group; speakers for NEN meetings and training for a coordinator of NEN. Volunteers of America proposes a strengthening these grandparented families through a multi-faceted approach in which respite is provided and the children and the grandparents are educated, encouraged, and empowered both individually, as well as in a family unit.

PARENT EDUCATION AND SUPPORT SERVICES

Wrangell Community Services • Grant Award: \$20,080

Wrangell Community Services will establish parent education classes and parent support services for parents of all age children and adolescents. Three levels of service will be available. Level one provides informational material designed for parents to work on at home without formal assistance. Level two provides Parent Education Classes. Level three involves an ongoing Parent Support Group. The anticipated achievements are to strengthen families through education and support, and to provide healthy alternatives to child abuse and neglect by supporting families to grow, positively change, and creatively solve problems.

What are Child Abuse and Neglect?

Alaska state law defines child abuse or neglect to include the following actions by those responsible for a child's welfare:

- Physical injury that harms or threatens a child's health or welfare;
- "Failure to care for a child" means neglect of a child's necessary physical (food, shelter, clothing, and medical attention), emotional, mental, and social needs;
- Sexual abuse includes molestation or incest;
- Sexual exploitation involves permitting or encouraging prostitution;
- Mental injury is injury to the emotional well-being or intellectual or psychological capacity of a child (as evidenced by an observable and sustainable impairment in the child's ability to function in a developmentally appropriate manner);
- Maltreatment refers to a child suffering substantial harm as a result of child abuse or neglect due to an act or omission not necessarily committed by the child's parent, custodian, or guardian.



Since FY89
the total number of reports
of harm to children in Alaska
has risen 108%.

Reports of Harm 1989 - 98

Harm Type	FY89	FY90	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98
Neglect	3,989	4,550	5,124	5,907	7,202	7,860	8,799	8,118	8,990	9,726
Physical Abuse	2,400	2,855	3,315	4,037	4,817	4,795	4,458	4,328	4,123	4,119
Sexual Abuse	1,431	1,556	1,681	2,039	2,249	2,421	2,031	1,991	2,094	2,151
Mental Injury	N/A	N/A	99	348	316	357	393	345	315	372
Abandonment	56	60	64	55	33	32	25	16	25	8
Total	7,876	9,021	10,283	12,386	14,617	15,465	15,706	14,798	15,517	16,380

As the table above demonstrates, the Division of Family and Youth Services received 16,380 reports of harm of children under the age of 18 during FY98. This represents a 108% increase from the 7,878 reports received during FY 89. During the same period, the population of children below age 18 in Alaska increased by 19.6%.

Child Protection in Alaska

"No matter where Alaskans make our homes or what we do for a living, we share a common goal — safe, healthy children and strong families. For most Alaskans, that dream is well within reach. Yet, for a growing number of our children, their lives are a nightmare," Governor Knowles stated when he released "Alaska's Children of a Hidden War" in April 1998.

Last year, there were more than 15,500 reports of harm to Alaska's children — from neglect and abandonment to horrors beyond belief: burned bodies, sexual abuse, even murder. We read about them in the newspapers so often that we become immune.

"Alaska's Children of a Hidden War" tells real stories of 134 Alaska child abuse victims taken into state protective custody over just a three-month period in late 1997.

Unfortunately, no extensive research was required for this report. On any average day, Alaska's overworked child protection system fields 43 reports of harm. This equals 1,300 a month — a 97 percent increase in just the past eight years.

One example from the report — it's certainly not the most graphic — reads:

Report Number 30: A 4-year-old girl was taken into custody because her father severely beat her over her entire body. Her father indicated he was putting her through boot camp training; he cut her shoulder-length hair into a crew cut and the child was made to perform vigorous exercises. The mother was aware of the beating and failed to protect her daughter.

To address these problems, the Knowles administration made child protection a cornerstone of its Smart Start initiative. The Legislature conducted its own audit — which confirmed what the administration had been saying — then approved much of the governor's request. The result is a tough new child protection law, more money for new child protection workers, and more resources for treatment and improved training programs for Division of Family and Youth Services workers.

Alaska's New Child Protection Law

Under Alaska's new child protection law, AS 47.10.011, the court may find a child to be in need of aid if it finds that the child has been subjected to any of the following:

- A parent or guardian has abandoned the child, and the other parent is absent, including leaving the child with another person without provision for the child's support and without meaningful communication with the child for a period of three months, failing to participate in a suitable plan or program designed to reunite the parent with the child, and failing for a period of at least six months to maintain regular visitation with the child;
- A parent, guardian, or custodian is incarcerated, the other parent is absent or has committed conduct or created conditions that cause the child to be a child in need of aid, and the incarcerated parent has not made adequate arrangements for the child;
- A custodian with whom the child has been left is unwilling or unable to provide care, supervision, or support for the child, and the whereabouts of the parent or guardian is unknown;
- The child is in need of medical treatment to cure, alleviate, or prevent substantial physical harm or is in need of treatment for mental injury and the child's parent, guardian, or custodian has knowingly failed to provide the treatment;

Alaska's Children of a Hidden War

Real stories of the 134 Child Abuse Victims taken into protective custody by the Division of Family and Youth Services during a three month period in 1997.



— continued next page

- The child is habitually absent from home and refuses to accept available care and the child's conduct places the child at substantial risk of physical or mental injury;
- The child has suffered substantial physical harm, or there is a substantial risk that the child will suffer substantial physical harm, as a result of conduct by or conditions created by the child's parent, guardian, or custodian or by the failure of them to supervise the child adequately;
- The child has suffered sexual abuse, or there is a substantial risk that the child will suffer sexual abuse, as a result of conduct by or conditions created by the child's parent, guardian, or custodian or by the failure of the parent, guardian, or custodian to adequately supervise the child; if a parent, guardian, or custodian has actual notice that a person has been convicted of a sex offense against a minor within the past 15 years, is registered or required to register as a sex offender, or under investigation for a sex offense against a minor, and the parent subsequently allows a child to be left with that person, this conduct constitutes evidence that the child is at substantial risk of being sexually abused;
- Conduct by or conditions created by the parent, guardian, or custodian have resulted in mental injury to the child, or placed the child at substantial risk of mental injury as a result of a pattern of rejecting, terrorizing, ignoring, isolating, or corrupting behavior that would, if continued, result in mental injury, or exposure to domestic violence;
- Conduct by or conditions created by the parent, guardian, or custodian have subjected the child or another child in the same household to neglect;
- The parent, guardian, or custodian's ability to parent has been substantially impaired by the addictive or habitual use of an intoxicant, and the addictive or habitual use of the intoxicant has resulted in a substantial risk of harm to the child;
- The parent, guardian, or custodian has a mental illness, serious emotional disturbance, or mental deficiency of a nature and duration that places the child at substantial risk of physical harm or mental injury; and
- The child has committed an illegal act as a result of pressure, guidance, or approval from the child's parent, guardian, or custodian.

Key Principles of the New Law

- Safety of children is paramount.
- Foster care is temporary and permanency planning begins immediately.
- Child welfare system must focus on results.
- Coordinated approaches and linkages are critical.



1998 Report from the Friends of the Alaska Children's Trust (FACT)

The Friends of the Alaska Children's Trust (FACT) is a 501(C) 3 non-profit corporation dedicated to raising money for the Alaska Children's Trust, and with a secondary mission of raising awareness about how each individual can make a difference in the life of a child. We had a successful year on both counts.

During 1998, our third full year of operation, we raised approximately \$125,000 in direct deposits to the principal of the ACT. Our two major fundraisers, "Mush for Kids" and the "First Annual Alyeska Pipeline Children's Trust Golf Tournament," were complemented by year-round sales of Little Bear's Alaska Reader and small donation solicitations.

"Mush for Kids" was an all day family fun day organized in large part by the mushing association, P.R.I.D.E., Saturday, April 4th in Fairbanks. With Dave Monson and Bill Merchant leading the way, a great many professional mushers participated in a "musher's olympics" on the parking lot at Pike's Landing, Fairbanks' not-for-profit community, led by Debbie Hall and David Leone of the Fairbanks Resource Center for Parents and Children, came out in full force with free, fun-filled activity booths set up on the grounds. Local youths and entertainment groups performed throughout the day, lending a festival atmosphere to the whole affair. The "Mush for Kids" raised over \$40,000 in corporate sponsorships.

In late August, ACT Board Member, Bob Malone, and his incredible staff at Alyeska Pipeline Services Company, took the lead and organized a benefit golf tournament for the Trust. With their help, this first time event took in over \$80,000...we had to turn away ten teams for lack of space! The folks at Alyeska went all out in securing door-prizes and trophies for participating players.

We used the occasion of these events to spread the word about the ACT through television and radio advertisements. Additionally, during April, Child Abuse Prevention Month, we were able to air radio PSAs and news ads. Our thanks to Tom Bodette, who is always willing to lend his famous voice to our efforts, and to Jerry Levine at Connections, Inc., who had donated countless hours of production and editing time to our media efforts.

In closing, we hope to institutionalize these events and plans are already under way for 1999. We have plans for partnering with the Anchorage Center for Families and the Fairbanks Resource Center for Parents and Children to provide an Alas! National Council for the Prevention of Child Abuse (NCPCA) network. We remain an all-volunteer organization, with occasional help from contract staff. Anyone interested in working with us for 1999, please give us a call at (907) 248-7676.



Musher Jeff King and friends



"Mush for Kids" was an all day family fun day in Fairbanks. The event raised over \$40,000 in corporate sponsorships.



Lt. Governor Fran Ulmer, Bob Malone and Morris Thompson at the First Annual Alyeska Pipeline Children's Trust Golf Tournament.

Friends of the Alaska Children's Trust Board of Directors

Deborah Bonito, Chair; President, Sourdough Mercantile, Anchorage
Diane Kaplan, Diane Kaplan and Co. Consulting Firm, Anchorage
Mike Pocaro, Pocaro Blankenship Advertising, Anchorage
Mike Burns, President and CEO, KeyBank, Alaska
Vivian Johnson, Yukon Kuskokwim Health Corporation, Bethel
Suzanne Bishop, President, Plain English, Fairbanks

You can help!

What YOU can do to help

Individually, you can join the effort to help protect Alaska's children. Here are just a few ideas:

- Volunteer for agencies in your community that work with children, youths, and families.
- Volunteer in a day care center or school.
- Become a foster parent or adoptive parent.
- Volunteer in the "Safe Home" program in your community, or start one if you don't have one.
- Serve as a friend to youth in trouble with the law.
- Become an advocate for prevention and early intervention services.
- Support preventive, community-based services designed to alleviate stress and promote parental behavior that will increase the ability of families to successfully nurture their children.



To find out more
about what you can do to help,
call 1-800-643-5437

Support the Alaska Children's Trust

Your gift to the Alaska Children's Trust is combined with other private donations and distributed to programs in Alaska that most effectively work to keep children safe and families strong.

To add your support you can:

- Make a financial contribution to the ACT.
- Include the ACT in your will.
- Host a fundraiser for the ACT or volunteer your time for scheduled events.
- Purchase an Heirloom Birth Certificate.
- Discuss other ideas or options with the staff or trustees of the ACT by simply dialing 1-800-KIDS or (907) 465-4870.

Two new opportunities to support the ACT and prevention programs!

1

Heirloom Birth Certificate

The Alaska Children's Trust (ACT) is pleased to introduce the Heirloom Birth Certificate, featuring the work of well-known Alaska artist Ric Muñoz. These certificates are available to anyone born in Alaska. This project is a collaborative effort between the ACT and the Alaska Bureau of Vital Statistics. Proceeds from sales of the \$35 certificates go to the ACT.

Our marketing campaign would not have been possible without the generous contributions of Fairbanks Memorial Hospital, Providence Hospital, Bartlett Regional Hospital, Charter North Hospital, the Alaska State Hospital and Nursing Home Association, and Financial Consultants of Alaska.

For more information about how to order an Heirloom Birth Certificate, call the Bureau of Vital Statistics at 907-465-3392—or at www.state.ak.us



Actual Size 9" x 12"

2

Alaska Children's Trust License Plate

During 1999, the Alaska Children's Trust will have its own special license plate for sale through the Division of Motor Vehicles. A statewide art contest has been conducted in search of the plate that best describes, "Safe and Healthy Children." The license plate should be available to the public sometime this fall.

Since so many creative art pieces were submitted for the license plate contest, and the Alaska Children's Trust could pick only one, the trust plans to produce a calendar during the year 2000 using artwork by contest participants.

For more information regarding the Alaska Children's Trust license plate or the calendar, call 1-800-643-5437.



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THANK YOU to all of you who have so generously supported our efforts on behalf of Alaska's children with your time and with your financial support. And special thanks to our corporate sponsors, without whom our major fund-raising events would not have been possible.

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This publication was produced by the Alaska Children's Trust at a cost of 10¢ per copy.

Alaska Children's Trust Toll-Free Phone Number: 1-800-643-KIDS (5437)

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February 4, 2000

The Honorable Drue Pearce
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Pearce:

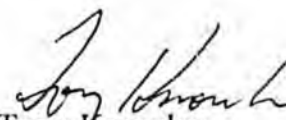
One of the efforts in which the Administration and the Legislature can take great pride is the revitalization of the Alaska Children's Trust. Alaskans have responded with overwhelming support to help build the principal of the trust to more than \$9 million. Proceeds from the trust provide grants to communities and agencies statewide to prevent child abuse and neglect and create healthier lives for children.

One fundraising effort for the trust is the sale of heirloom birth certificates. The sales raised more than \$50,000 for the Children's Trust last year and is the most successful fundraising program of its type nationwide.

This bill I transmit today expands the birth certificate program by establishing an heirloom marriage certificate suitable for display. Hopefully \$25 from the sale proceeds for each certificate would be appropriated by the legislature to the Alaska Children's Trust. This program offers an excellent and appealing way to continue the worthwhile work of the Children's Trust.

I urge your favorable consideration of this bill.

Sincerely,


Tony Knowles
Governor

SB

256

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. CSSB 256 (HES)

Revision Date/Time (Note if correction) _____	Dept. Affected _____	Law _____
Title <u>"An Act relating to regulation of managed health care ... allowing physicians to collectively negotiate ..."</u>	BRU _____	Civil Division _____
Sponsor <u>Senator Pete Kelly</u>	Component _____	Fair Business Practices _____
Requester <u>Senate Finance Committee</u>	Component No. _____	2206 _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	142.5	142.5	142.5	142.5	142.5	142.5
Travel	3.1	3.1	3.1	3.1	3.1	3.1
Contractual	40.5	40.5	40.5	40.5	40.5	40.5
Supplies	2.3	2.3	2.3	2.3	2.3	2.3
Equipment	6.5					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	194.9	188.4	188.4	188.4	188.4	188.4

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	194.9	188.4	188.4	188.4	188.4	188.4
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	194.9	188.4	188.4	188.4	188.4	188.4

Estimate of any current year (FY2000) cost: _____

POSITIONS

Full-time	1	1	1	1	1	1
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

CSSB 256 (HES) establishes certain statutory provisions that must be included in contracts between anyone licensed in Alaska or the United States to provide health care services and a health insurer, hospital or medical service corporation, a health maintenance organization, an employer or employee health care organization, or managed care contractor, that operates a group managed care plan. These contracts must be reviewed and approved by the Director of the Division of Insurance. In addition, the bill provides a method for physicians to collectively negotiate certain terms and conditions of contracts with a health benefit plan. If an authorized third party negotiates with the health benefit plan, the collective negotiation is to be reviewed and approved by the Commissioner of the Department of Labor and Workforce Development, with the advice of the attorney general.

Prepared by: <u>Joan M. Kasson</u> <i>[Signature]</i>	Phone: <u>465-5370</u>
Division: <u>Attorney General's Office</u>	Date/Time: <u>2/29/00, 4:17 PM</u>
Approved by: <u>Commissioner <i>[Signature]</i> Bruce M. Botelho, Attorney General</u>	Date: <u>2/29/00</u>
Agency: <u>Department of Law</u>	

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. CSSB 256 (HES)

ANALYSIS CONTINUATION

The Division of Insurance estimates that Section 2 of the committee substitute, relating to contracts between entities operating a managed care plan and participating health care providers, will require their review of approximately 1,000 new contracts. The Department of Law provides advice and assistance during these reviews, and represents the division in administrative hearings, and in court, when the division's decisions are challenged. We estimate an additional one-quarter of a full-time equivalent attorney position would be required to handle the increased workload from this section.

Section 3 of the committee substitute would allow collective bargaining by physicians with health benefit plans. The new Chapter 50, entitled "Collective Action by Physicians," involves the Commissioner of the Department of Labor and Workforce Development in the collective bargaining process. When an authorized third party is handling negotiations, the commissioner must approve the third party to represent physicians and with the advice of the Attorney General approve the subject matter over which the physicians and health benefit plans will bargain (including physician fees).

The Department of Law anticipates a minimum of one new full-time equivalent attorney position will be needed to handle this new workload. Extensive regulation development will be necessary to implement the legislation by defining terms and setting forth the reporting requirements that authorized third parties will be required to submit in order to reduce, or preferably eliminate, investigation time during the commissioner's 30 day review period. Once regulations are complete, this position will assist in performing the necessary review and antitrust analyses on the collective bargaining reports submitted by the authorized third party, and represent the agency when decisions of the commissioner are challenged.

Costs are based on the department's FY01 standard full-time equivalent attorney schedule of \$134,712, which includes clerical support, communications, space, supplies, data processing, and other normal overhead expenses. The full-time attorney position estimate also includes an additional \$6,500 for one-time equipment purchases and \$5,000 for direct case costs, costs that cannot be included in the rate as overhead. In addition, \$15,000 is included for expert fees and costs.

COST SUMMARY:

	Fund Source	100	200	300	400	500	Total
Section 2: 1/4 FTE attorney	GF	\$28.5	\$0.1	\$4.6	\$0.5	\$0.0	\$33.7
Section 3: 1 FTE attorney; Expert fees; Direct case costs	GF	\$114.0	\$3.0	\$35.9	\$1.8	\$6.5	\$161.2
Total		\$142.5	\$3.1	\$40.5	\$2.3	\$6.5	\$194.9

FISCAL NOTE

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

BILL NO. CS SB 256 (HES)

Revision Date/Time _____	Dept. Affected <u>Administration</u>
Title <u>An act relating to regulation of managed health care and allowing physicians to collectively...</u>	BRU <u>Centralized Administrative Services</u>
Sponsor <u>Senator Pete Kelly</u>	Component <u>Retirement and Benefits</u>
Requester <u>Senate Finance</u>	Component No. <u>64</u>

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2000) cost: _____ *

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

At this time the Department of Administration is uncertain whether the State's health plans would be subject to this legislation. If the State is subject to this legislation, then our ability to manage health care costs would be compromised; however, we are unable to quantify the potential cost impact.

Prepared by: <u>Guy Bell</u>	Phone <u>465-4471</u>
Division <u>Retirement and Benefits</u>	Date/Time <u>2/29/00 10:22 AM</u>
Approved by Commissioner <u>Robert Poe Jr.</u>	Date <u>2/29/00</u>
Agency <u>Department of Administration</u>	

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Response to comments by
Gordon Evans
HIAA
2/22/00

① Evans: *"Quality is not the driving force behind the physician collective bargaining movement -- it's economics"*

Fact: If this bill were only about financial concerns, a doctor's contract with a health benefit plan would be about half a page long. Certainly, financial concerns are a part of any contract. However, this involves the overall care of patients. This is about giving physicians some leverage to prevent the intrusion of a giant third party into the sacred physician/patient relationship.

② Evans: *"Legitimate mechanisms already exist within the boundaries of current antitrust law under which health care providers can and so collaborate and negotiate with health plans, patients, and others on clinical or quality of care issues or other concerns they may have regarding the impact of managed care on the quality of care."*

Fact: Currently, physician organization is expensive, complex, and often not logistically possible.

Organization makes the physician sacrifice his professional independence and deprives patients of choice of delivery setting.

If physicians organize there is no legitimate means to determine if the group is organized in a manner which meets FTC requirements for negotiation. Moreover, the costs of obtaining a legal opinion that can't provide any guarantees can easily run into six figures even before the group is functional.

Even if the group does meet FTC standards it doesn't prevent the plan from threatening the group with an antitrust action, resulting in six figure legal fees and the achievement of the plan's ultimate goal -- ceasing physician negotiations.

Evans: *"Consolidation among health plans has been and continues to be subject to rigorous antitrust scrutiny, at both state and federal levels."*

③

Fact: Under this legislation physicians would yet be subject to FTC scrutiny as well as scrutiny by the Commissioner of Labor and Work force Development and Alaska's Attorney General.

Evans: *"Antitrust waiver legislation is anti-competitive and would raise costs for health care programs..."*

④

Fact: In talking to several third party payers who want to do business in the State of Alaska, they talk about the efficiencies of utilizing the services of an authorized third party to help them build a network. Therefore providing an antitrust exemption to allow authorized third parties to help health benefit plans enter the market would offer consumers more choices and be pro competitive.

As an example of how uncompetitive the current oligopsonic medical health care market is when it comes to individual physician contracts, many insurance contracts offer a "take it or leave it" approach. Contracts are non-negotiable.

When physician networks do fully integrate and evolve into an entity that can wield some power in the market, the health plan refuses to negotiate with the network and begins to break it apart into individual physicians who can again be bullied into accepting one-sided contracts. A recent memo from Aetna U.S. Healthcare in California contained the following language: "In order to participate directly in All Aetna U.S. Healthcare products you will need to withdraw your affiliation with any/all Aetna U.S. Healthcare contracted IPAs and Medicaid Groups."

Evans: *"Legislation at either the state or federal levels will be costly. ...health care premiums in the private sector would increase by 6 to 11 percent"*

⑤

Fact: The study in which Evans based his projected increase on was done by Charles River Associates in June of 1999 (see attached study). If one reads the study carefully, particularly the first several pages, it is evident that the conclusions are based on numerous assumptions which cannot be supported by any firm data because that data does not exist.

However, for the sake of argument, if we took 8% as a mid point, that would mean that physicians component of total health care expenditures would need to increase by 50% (physicians charges currently represent approximately 16% of total health care expenditures). It is doubted that

this hypothetical 50% increase in physician charges would pass muster with the State Attorney General and Commissioner of Labor.

Page 9, paragraph two of the study, attributes most of the projected increased health care expenditures to an increase in utilization. This presumably assumes that physicians would be successful in negotiating away any utilization review. This argument is flawed by simply looking at United Health Care's scrapping of their internal utilization review procedure regarding their review of medical treatment decisions made by the physicians providing the care (see attached news article). United Health Care was spending upwards of \$100 million/year on the review process. Such a review process still has merit but it must be targeted to only those situations that warrant appropriate internal utilization review.

Negotiations allowed for in this bill are voluntary. The health plan doesn't even have to come to the table. The negotiations are non-binding. Either party can stop at any time without penalty, and the health plan remains free to contract with or offer different terms and conditions to individual physicians.

Remember, the Attorney General must ensure that there is adequate competition remaining in the marketplace. So any group of physicians asking permission to negotiate with a plan cannot be so large or contain such a large component of a particular specialty so as to eliminate competition in the market.

Evans: *"The Texas legislation allowed physicians to strike or boycott."*

6

Fact: Article 29.10 of the Texas law states: *"Nothing contained in this chapter shall be construed to enable physicians to jointly coordinate any cessation, reduction, or limitation of health care services."*

Evans: "Physician collective bargaining legislation is opposed by the chairman of the Federal Trade Commission, Robert Pitofsky, who says that conferring a labor exemption on physicians would merely grant them broad immunity to present a unified front when negotiating price and other terms of dealing with health plans, without any efficiency benefits for consumers or any regulatory oversight to safeguard the public interest."

7

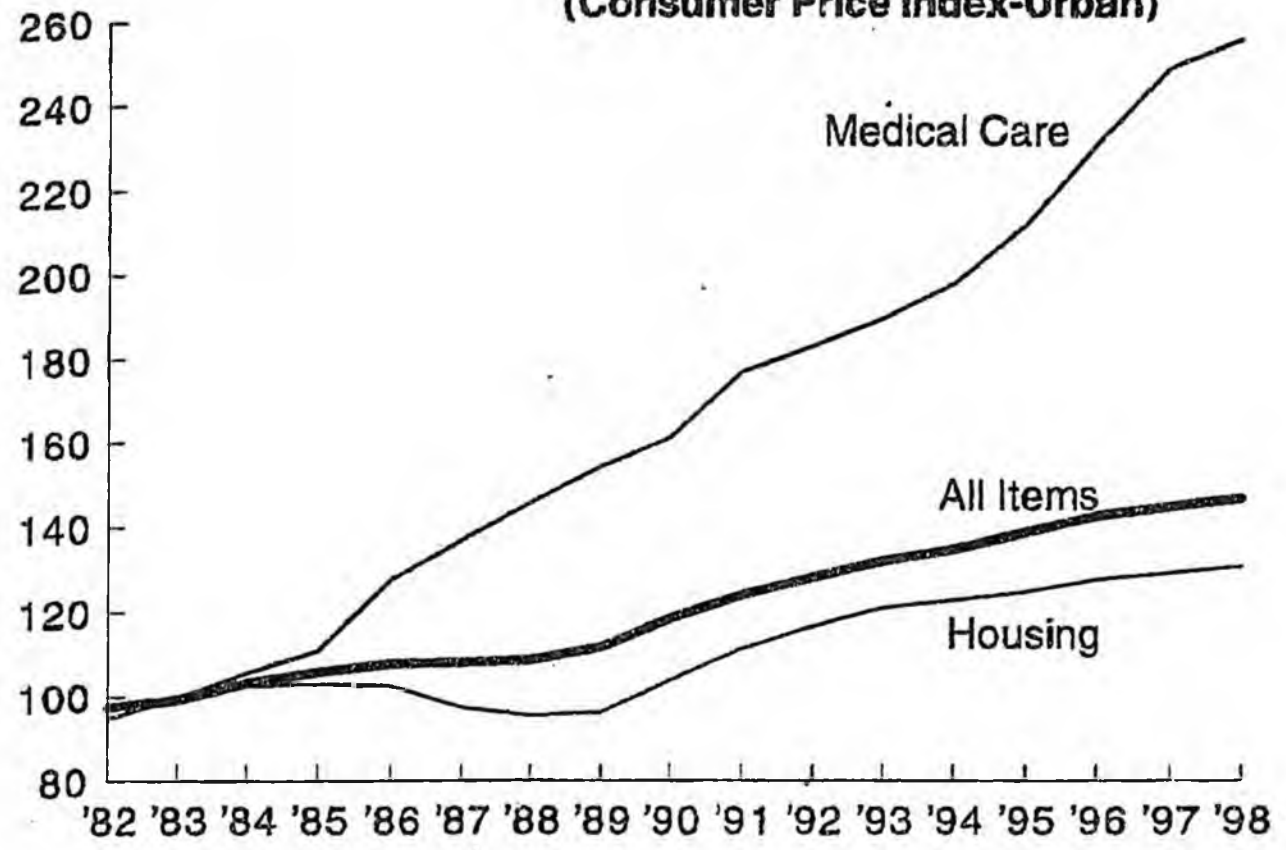
Fact: The FTC Chairman Pitofsky (appointed by President Clinton) has traditionally opposed permitting independently practicing physicians to collectively negotiate under the National Labor Relations Act. However, this issue is irrelevant to this legislation because it does not permit or require mandatory collective bargaining under the NLRB; nor does it and does not permit physicians to organize as a union or any other labor

organization under the NLRA. Instead, this legislation allows physicians to jointly negotiate with health plans under limited circumstances - a process that is voluntary and non-binding.

Jim Jordan + Mike Hogan
Bill Spawson

Medical Costs Outpace Housing In Anchorage—(CPI-U)

(Consumer Price Index-Urban)



Source: U.S. Department of Labor, Bureau of Labor Statistics

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. SB 256

Revision Date/Time (Note if correction) 02/22/2000 Dept. Affected Community & Economic Development
 Title An Act relating to regulation of managed health care BRU Insurance
and allowing physicians to collectively negotiate with a health care... Component Insurance
 Sponsor Senator Kelly
 Requester S. (HES) Component No. 354

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	\$53.30	55.0	56.5	58.3	60.2	62.1
Travel						
Contractual						
Supplies	1.5	1.5	1.5	1.5	1.5	1.5
Equipment	5.0					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	59.8	56.5	58.0	59.8	61.7	63.6

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	59.8					
1005 GF/Program Receipts		56.5	58.0	59.8	61.7	63.6
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	59.8	56.5	58.0	59.8	61.7	63.6

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

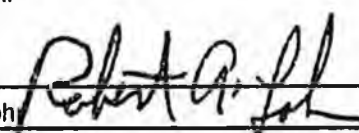
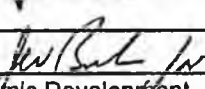
Full-time	1	1	1	1	1	1
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The fiscal note for SB 256 is based on one new Insurance Analyst II to review the contracts between a participating health care provider and a managed care entity as required in Section 1 of SB 256, Sec 21.42.175(d) and to determine market share for a health care insurer using the number of covered lives for the most recently completed calendar year as required under Sec. 3.50.020(d)(6).

The assumptions used are the following:

1. The standard provisions described in Sec. 21.42.175(d) are assumed to be the provisions listed in subsections (a) through (c), excluding (a)(4).
2. Based on the number of provider and group contracts that currently exist in the market, we estimate reviewing 1000 contracts.
3. We anticipate an average of 2 hours to review each contract, including time needed to obtain additional information or to correct faulty provisions in the contract.

Prepared by: Robert A. Loh 
 Division Insurance
 Approved by Commissioner Deborah B. Sedwick 
 Agency Community & Economic Development

Phone 269-7900
 Date/Time 2-22-00 3:40 PM
 Date 2-22-00

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Fiscal Note Analysis Continued:

Senate Bill 256 "An Act relating to regulation of managed health care and allowing physicians to collectively negotiate with a health care insurer that has substantial market power."

Analysis:

4. We anticipate that approximately five hours of work will be needed to enter data into a spreadsheet and calculate market share each year as required under Sec. 23.50.020(d)(6).
5. The over 2,000 hours of work to accomplish the contract review and market share calculation will require one new range 16 Insurance Analyst II position.